EXTENSIONS OF REMARKS

COMPREHENSIVE OIL POLLUTION LIABILITY AND COMPENSATION

HON. MARIO BIAGGI
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. BIAGGI. Mr. Speaker, the Committee on Merchant Marine and Fisheries has for more than 10 years been directly involved in the development of legislation to provide a comprehensive, equitable, and effective means of establishing liability and providing compensation for cleanup costs and injuries resulting from oilspills. As a matter of fact, the committee has been involved with oil pollution liability and compensation issues since prior to the catastrophic grounding and breakup of the crude oil tanker *Torrey Canyon* off the coast of Great Britain in 1967.

I have been personally involved with these issues since I was first elected to Congress in 1969. During the 95th Congress, as chairman of the Subcommittee on Coast Guard and Navigation, I was able to see to the passage of oil pollution liability and compensation legislation—in the form of H.R. 6803—by the House by a recorded vote of 332 to 59.

During the 96th Congress, in September 1980, I again brought a similar bill to the House floor. H.R. 85 was passed by a recorded vote of 288 to 11. It failed of enactment due to two other areas of environmental concern: Spills of hazardous substances and abandoned hazardous waste dumpsites. I don't think I need to remind anyone of the Love Canal issues and problems that were generated and that are still being generated. At that time, I felt oil pollution should be handled separately; however, they were joined into one bill.

The Senate took the most important hazardous substances spill provisions from the House-amended H.R. 85—containing both oil and hazardous substances—and combined them with the hazardous waste dumpsite provisions of H.R. 7020. In a spirit of compromise and in the national interest, I agreed to support the revised version of H.R. 7020, which did not contain my oilspill provisions. During the waning days of the 96th Congress, H.R. 7020 was adopted by the Congress and signed into law on December 11, 1980, as Public Law 96-510.

During the 97th Congress, I again introduced a comprehensive oil pollution liability and compensation bill in the form of H.R. 85. I used the same number to remind my colleagues of the promise made to move on oil pollution legislation right after hazardous substances pollution legislation was in place. Hon. GERRY STUDDS, new chairman of the Subcommittee on Coast Guard and Navigation, moved rapidly and effectively and, by May 1981, was able to get this legislation reported to the House. However, due to pressing problems within other committees having joint jurisdiction, this legislation was not acted upon.

Undaunted, during the early days of the 98th Congress, I once again introduced a comprehensive oil pollution liability and compensation bill on March 6, 1983. H.R. 2115 was identical to H.R. 85 of the prior Congress. Hon. GERRY STUDDS introduced H.R. 2222, which was similar to my bill but which restricted coverage to vessels and provided for the eventual adoption of an international treaty. Hon. DON YOUNG introduced H.R. 2368, which was also similar to my bill, except that it provided for administration of the oil pollution fund by a nonprofit corporation.

These bills served as the focus of consideration by the Committee on Merchant Marine and Fisheries and led to a compromise in the form of H.R. 3278, which was reported to the House on August 2, 1983 (Rept. 98-340 pt. 1). We then urged the House Committee on Public Works and Transportation to act favorably on H.R. 3278 and cited the voluminous record of hearings and prior legislative action that we felt fully supported the need for immediate action.

The bill was generally acceptable to the industry, the administration, environmental groups, and public interest groups. As a matter of fact, prior administration opposition to a bill of this type was reversed on April 30, 1984, by a letter from the Secretary of Transportation to the Committee on Public Works and Transportation. This significant new development clearly demonstrated that a bill acceptable both to the administration and the Congress was possible.

On August 8, 1984, Hon. JOHN BREAUX—a member of both the Committee on Merchant Marine and Fisheries and the Committee on Public Works and Transportation—moved the provisions of H.R. 3278 into an amendment to title V of H.R. 5640—a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. On August 10, 1984, the oil pollution amendment was adopted, and the House passed H.R. 5640 by a recorded vote of 322 to 33.

I then called this legislation to the personal attention of a number of my Senate colleagues, highlighting the need to compensate those who are victimized by oilspills and to provide sufficient funding for the cost of oil removal. I indicated that a number of compromises had been worked out and that I felt the legislation was acceptable to all parties. I noted that further delay would mean continued inadequate compensation for losses due to oil pollution and the continuing patchwork of conflicting State and Federal laws. A number of additional changes were proposed to the oil pollution title; but, in the waning days of the 98th Congress, H.R. 5640 failed to be enacted—primarily due to problems involving hazardous substances liability and compensation.

Mr. Speaker, I have briefly discussed the history of oil pollution liability and compensation so that Members can readily see that the issue has been long and carefully considered. I still feel that oil pollution legislation and hazardous substances legislation should be handled separately—and this is evidenced by what happened, once again, during the last Congress. Therefore, together with a number of my colleagues, I am cosponsoring oil pollution liability and compensation legislation—hopefully, for the last time. This is a major piece of unfinished business from prior Congresses that continues to have considerable bipartisan support.

For many years, this type of legislation has had strong administration support. About 4 years ago, however, the administration reversed its position and opposed the legislation due to, I believe, a misunderstanding of the effects of funding and operation of the oil pollution fund. Fortunately, the administration reversed its position in 1984 and is again in strong support of this legislation.

The administration continues to be concerned with the oil pollution threat and has also been active in attempting to improve international oil pollution liability and compensation schemes. In 1984, this concern culminated in a diplomatic conference that amended existing treaties so as to be more compatible with U.S. interests. This will be a significant contribution to arriving at solutions that are internationally as well as domestically acceptable. This bill will also be the vehicle for solving these international oil pollution problems.

Public concern over the need for this type of legislation was generated when the tank vessel *Torrey Canyon* ground-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ed off the southwest coast of England in 1967, spilling approximately 100,000 tons of crude oil that fouled the shores of the British Isles and the coast of France. Public concern was again highlighted in 1969 when a production platform off Santa Barbara, CA, suffered a blowout that discharged untold amounts of oil before it could be brought under control.

Since then, numerous other casualties have highlighted the oil pollution problem and the need for a national and comprehensive oilspill liability and compensation scheme—a most noteworthy one being the grounding of the tank vessel *Argo Merchant* off Nantucket in 1976. One particular casualty—the grounding of the very large crude carrier *Amoco Cadiz*—of 228,513 tons—off the coast of France on March 16, 1978—is a more recent and memorable reminder of the need to establish such a system.

A significant casualty that affected our coastal environment and economic well-being was the blowout of Ixtoc I in the bay of Campeche, Mexico on June 3, 1979. The impact of this spill and the resulting oil pollution of the Texas coastal environment and the waters of the Gulf of Mexico were extensive. The litigation arising out of this incident has been extensive and protracted. Had the proposed legislation been in place, the alternative would have been a fair, adequate and prompt compensation to those who were victimized. Therefore, it continues to be necessary to provide for adequate compensation to those who suffer damage from the effects of oil pollution incidents. While existing oil pollution legislation permits compensation for cleanup and removal costs, there is no legislation that adequately and timely compensates those who have been victimized.

Prevention of oilspills is still the most effective means of protecting our coastal and estuarine environment from damage. The Port and Tanker Safety Act of 1978—which I was privileged to sponsor and pursue during the 95th Congress—has been effective in this area. However, we cannot preclude the possibility of oilspills occurring due to mechanical failures and the carelessness of individuals.

In the United States, the public's concern has led to enactment of a number of measures to improve the quality of our waters and to control pollution. The Water Quality Improvement Act of 1970—which was subsequently amended by the Federal Water Pollution Control Act Amendments of 1972—and later amended by the Clean Water Act of 1977—declared, as a national policy, that there should be no discharges of oil into or upon our waters. In addition to numerous specific measures for the protection of the marine environment, these statutes established liability on the part of spillers for the cost of cleanup. These acts, however, do not address themselves to the question of damages other than for the cost of cleanup.

Three other Federal statutes have been enacted which do address the problems of liability for damages. In the 1973 Trans-Alaska Pipeline Authorization Act, the Congress—for the first time—addressed the issue of liability for oil pollution damage from vessels other than cleanup costs. A similar scheme of liability and compensation was also established in the Deepwater Port Act of 1974 for oil pollution damage from offshore facilities constructed pursuant to the act or from vessels at those facilities. The Outer Continental Shelf Lands Act Amendments of 1978 established a similar liability and compensation scheme for oil pollution damage related to OCS activities.

The concepts of this legislation have had broad support from the users of oil, from the oil industry itself, from the insurance industry—which does the underwriting—and from many environmental groups. The bill I am cosponsoring should continue to receive overwhelming bipartisan support. The bill:

Establishes strict liability for the owners and operators of the source of oil discharges;

Provides for a simple and practical system for the compensation of a broad range of oil pollution damage;

Imposes reasonable and insurable limits of liability on the owner or operator of the vessel, thereby insuring frontline responsibility for responding to an oil pollution incident;

Creates a backup compensation fund to respond to damage claims that are not satisfied;

Guarantees that those who have been harmed by oil pollution will be quickly and fairly compensated for their economic loss;

Encourages prompt and complete cleanup of oilspills;

Provides for the establishment of an oil pollution fund supported by a tax on crude oil and petroleum products;

Provides for superseding duplicative funds and procedures that now exist in various Federal and State statutes;

Provides for evidence of financial responsibility sufficient to satisfy the maximum amount of liability; and

Provides a simple and workable claims settlement procedure.

The objectives of this oilspill liability and compensation legislation are to:

Establish one fund at the Federal level that will provide ample money for prompt compensation for oilspill damage;

Establish one set of oilspill liability laws for the entire Nation, covering all types of oilspills from all sources;

Remove the overlaps and bare spots of the present patchwork system; and

Minimize the bureaucracy.

I reiterate my prior conviction that this bill is practicable in application—and fully considers the needs of those who are victimized by oil pollution. I firmly believe that we must act now in the public interest to provide a comprehensive oil pollution liability and compensation scheme. I, therefore, urge the strong support of all Members in cosponsoring this important legislation.●

STOP THE RED INK

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. LOWERY of California. Mr. Speaker, perhaps no single issue has captured the attention of the Congress and the President more than the ever-growing Federal budget deficits. However, it has never been more clear that the American people do not believe raising taxes will stem the flow of red ink. Rather, every possible attempt must be made to reduce Government spending.

I would like to commend to my colleagues the remarks of Mr. George Marotta, as reprinted in the Houston Post on November 5, 1984. Mr. Marotta is a senior research fellow at the Hoover Institution on War, Revolution and Peace at Stanford University. He speaks with a great deal of expertise when it comes to the workings of the Federal bureaucracy—he has served in the Federal Government in eight agencies under seven Presidents from Franklin D. Roosevelt to Gerald R. Ford.

I hope that the recommendations outlined below will be carefully considered during the upcoming budget deliberations.

[The article follows:]

[From the Houston Post, Nov. 5, 1984]

TURNING OFF THE SPIGOT ON U.S. RED INK

THE DEFICIT MUST BE DEALT WITH, AND IT'S GOING TO HURT WHEN WE DO IT

(By George Marotta)

One of the major issues in the 1984 presidential election campaign is the federal budget deficit. This is a problem of huge proportions—an excess of $175 billion in spending over revenues for the year just ended. In August alone we spilled $33 billion in red ink—over $1 billion for each day.

The federal budget has been in deficit for 26 of the last 30 years. The largest amount of red ink, $195 billion, occurred in fiscal year 1983. Surpluses have been scarce and small.

Large deficits became common in the late 1960s when we put a man on the moon, tried to create a Great Society, and fought a war in Vietnam—all with "pay later" financing. Current deficits make the World War II debts look like a 30-day charge account.

This year's spending level is projected at $932 billion and the first trillion dollar budget will be reached next year.

Federal spending is out of control because pressures for spending far exceed the forces favoring increased taxes, reduced expenditures or a balanced budget:

The principal culprit is Congress. Politicians win their positions by promising to "assist" carefully selected interest groups. Mark Twain was so right when he said, "No man's property is safe while Congress is in session."

During the recent period of rapid inflation, government was both the major cause and beneficiary of inflation. For every 10 percent increase in inflation, the government collected 16 percent more in revenues due to taxpayer "bracket creep." This unlegislated tax lowered living standards and provided Congress with extra billions that it immediately paid out in new programs.

To prevent a recurrence of this irresponsible behavior, Congress must be prevented from repealing the tax indexing system due to go into effect in 1985. The only good thing about deficits is that their runaway nature is raising the calmor to cut spending.

As Parkinson's law instructs, most of the bureaucrats' efforts are directed toward self-preservation and, worse, more spending. It is the bureaucrats who provide congressmen with arguments to double and triple their programs. Furthermore, the bureaucrat must spend all this year's budget to justify increases for next year.

Lobbyists provide legislative and executive officials with arguments to enact pet laws and programs. Most of the 10,000-plus lobbyists in Washington seek more government.

How can America cope with these entrenched forces? The more government helps us, the stronger it becomes which increases the likelihood that we will end up being serfs to that once "helpful" force.

There are many actions that we can take to restrain the growth in government spending:

One solution is to adopt a constitutional amendment to require that budgets be in balance. This proposal has been passed by close to the required number of state legislatures.

Another solution is to give the president the power to veto specific line items of legislative bills. The president, the only elected official who represents all of us, should have the ability to selectively delete specific spending measures sent to him by the Congress. If the president had such veto power, we could hold him responsible, instead of Congress, if overall spending is to high.

A long-term solution to ever-expanding social programs is to transfer these activities to the state and local level. This would give local residents more control over the levels of payments, and better assurance that recipients are those most in need. The advantage of state and local spending is that they cannot print money or run sustained deficits. Local problems ought to be tackled at the local level. Congress should worry more about arms control and defense, and less about neighborhood social problems.

Some experts say a simple 19 percent flat rate income tax would raise all the revenues needed to balance the budget. These lower tax rates would tap the $100 billion in nonreported and underground tax liabilities as well as shifting capital from tax shelter schemes to more productive investments.

Another way to shake up the federal government is to force it to compete with private enterprise in as many areas as possible. For example, the private package delivery service has proved to be much more efficient and less costly than the U.S. Postal Service.

Most federal programs redistribute wealth from high-income persons to lower-income persons, as is intended with most government operations. However, there are at least $150 billion worth of federal programs which do just the opposite—redistribute wealth upward. Recipients include corporations, tobacco and dairy farmers, airplane and yacht owners. Eliminating these programs would wipe out most of the deficit.

The final alternative to reducing the federal budget is to make an across-the-board cut of 15 percent in all federal programs. This is based on the assumption that current allocations are correct and that an "equal distribution of pain" would be the most equitable way to solve the deficit problem.

Government has become much too intrusive into all aspects of our daily lives and we have become addicted to the benefits. Federal programs grow because the government grants concentrated benefits to special interest groups, but the tab is paid by dispersing the costs over the rest of the population.

The Iron Triangle of congressional committees, vested-interest lobbyists and the bureaucracy is a formidable force which requires powerful countermeasures. It will be a better society when government becomes the last resort—instead of the first—in solving our problems.●

DR. FROHNEN LEAVES COPPER MOUNTAIN CAMPUS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. LEWIS of California. Mr. Speaker, I would like to take this opportunity to ask the Congress to join me along with family, friends, and colleagues in honoring a truly remarkable man. Dr. Richard G. Frohnen has recently resigned his position as executive director of development for the Friends of Copper Mountain College, which serves the Morongo Basin in California, to accept a position as administrative assistant to Gov. Richard Bryan of Nevada. He will be sorely missed.

Dick Frohnen played a crucial role in the development and realization of what was once considered an unattainable dream: The building of a permanent college campus to serve the entire Morongo Basin. Without his unending dedication, this project might never have come to fruition. Throughout every phase of construction, Dick was the creative force, the organizer and the task-master, attending to every detail. Under Dick's expert guidance and direction, the Friends of Copper Mountain College raised nearly $2 million. He oversaw the building and occupation of phase I of the campus, and began the initial planning and funding for phase II. In May 1984, Dick and other "Friends" of Copper Mountain College traveled to Washington, DC to accept the President's Volunteer Action Award in the field of education at a White House ceremony hosted by President Reagan.

Dick began his formal education at California State University at Los Angeles, and went on to earn his master's degree in journalism at the University of California at Los Angeles. He then graduated from Brigham Young University as a doctor of education/administration. In addition to his Copper Mountain responsibilities, Dick holds the position of professor of management and curriculum consultant for the University of Redlands. In the spring and summer of 1984, this dedicated academician served as interim director of graduate programs in management for the university and was honored with the university's "Outstanding Faculty Award" for 1984. Frohnen is also a colonel in the Marine Corps Reserve and served as executive officer of Mobilization Training Unit California-16 in Los Angeles.

Dick Frohnen has always taken an active part in his community. He is a caring citizen and devoted husband and father. Earlier this year, Dick was nominated by the Palm Springs Bruins Club for the UCLA "Public Service Alumni Award." As well as having held a position on the board of directors of the Morongo Basin advocates and serving as assistant chairman of its Marine Corps Air Ground Combat Center Support Committee, he was active in the Boy Scouts of America, the Community Council of Twentynine Palms, the Episcopal Church, the Marine Corps Reserve Officers Association, the Navy League of the United States, Rotary, the Society of Professional Journalists/Sigma Delta Chi, Alpha Phi Omega, the United Way and the National Society of Fund Raising Executives.

Dick's commitment to education, his style of leadership and his enviable expertise have made him the living symbol of the Copper Mountain campus. The work he has done there will benefit countless generations of young people to come. The foundation he has laid is strong, and it will most certainly be built upon in future years.

Mr. Speaker, it is with great pride that I commend Dr. Richard G. Frohnen to you and my colleagues here in the House of Representatives. He is a man of admirable traits, a truly dedicated professional whose absence from the Copper Mountain campus and the Morongo Basin will surely be felt. Please join with me in wishing Dick the best of luck and continued success in his future endeavors.●

PRESIDENTIAL MEDAL OF FREEDOM FOR DAVID, THE "BUBBLE BOY," OF TEXAS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. LELAND. Mr. Speaker, Friday, February 22, marks the 1 year anniversary of the death of a special, courageous, and remarkable young American. He is remembered by all of you as David, "the bubble boy," and today, with my colleagues Mr. ANDREWS and Mr. FIELDS, I am reintroducing a resolution requesting the President award the Presidential Medal of Freedom to David Phillip Vetter, to be presented to his family in his memory.

David was born in 1971 with severe combined immunodeficiency [SCID]. This disease leaves its victims unable to fight any disease; the most benign or innocuous germ will kill.

As the oldest survivor of SCID, David spent much of his time at the world-renowned Baylor College of Medicine-Texas Children's Hospital in Houston, TX. His life was spent in sterile chambers with filtered air, sterilized food, and sterilized toys. For a time, with a special NASA sterile-environment spacesuit, he was able to venture beyond the confines of his chamber to see movies; to visit the real world.

For 16 fleeting days last February, David was free from his life of isolation. He was able to take joy and pleasure in the small routine things we all take for granted; his mother's kiss, the touch of his family.

David did not allow his medical condition to hinder his spirit, his interest in learning, or his will to survive. His continued bravery and tenacity in the face of such overwhelming adversity contributed to one of the most outstanding medical achievements of our time. In life, and death, David is a medical pioneer whose contributions to medical immunology, including the pathology of AIDS, and immunology of cancer and other diseases is immeasurable.

Shortly after his death, William McPherson, of the Washington Post wrote a moving and eloquent editorial, the text of which follows:

Mr. Speaker, David has not been termed a "medical miracle." But it is the miracle of David, his warmth and humor, which shall be missed. His physical world was so very small, but his heart, his spiritual reach, were so very large. He exemplified the best of our Nation. The Presidential Medal of Freedom is our highest civilian honor. David fully deserves this honor, and I ask my colleagues to rise in wholehearted support of this resolution.

DAVID'S CHOICE

(By William McPherson)

Among the many events of the world last week—the Democratic fray in Iowa, the presidential campaigning in New Hampshire, the Marines' withdrawal from Lebanon—was the death of a 12-year old boy in Texas, whose last name we never knew, whose voice most of us never heard, whose hand or face we never touched—whose death, for that matter, neither we nor all of medical science could avert.

On the scale of great events, the isolated death of the boy David was not mementous. Mozambique and Ghana are right now afflicted by a plague of Biblical proportions. Thousands of children and their parents, nameless to us though not to them, are dying every day because the rain does not fall, the crops do not grow, and there is no food for them to eat—no food for the parents, no food for the young, many of whom are being abandoned along the way as the people trek through the barren countryside in a virtually futile search for something to eat.

Millions more in a continent most of us have never seen are doomed to that prospect, a grinding horror of almost unimaginable proportions, and few of us would be greatly surprised to open the newspaper tomorrow and read of still another devastation miles away from us. Of course, people die every day—even children—some of them quite horribly, and all of them alone. That there is sadness in the world, and horror, does not come as a surprise. Why, then, does the death of the boy David, an isolated event and a small one in the annals of history, touch us so?

Less for the pity, perhaps, than for its solitary grandeur. Death, like life, is individual and unique, and David's was no exception, although the circumstances surrounding his few years were exceptional. There was no one else like him of his age; he was the only one in the world.

He was born defenseless, the victim of a rare condition that rendered his body incapable of fighting the most minor infection, the most ordinary germ of the kind that the rest of us carry with us all the time. Seconds after his birth he was placed in a sterile environment, a germ-free isolation chamber where his air was filtered, his food and water purified, and his toys chemically cleaned.

As he grew, he moved to larger and larger cells, separated from the common life of the world out there by a bubble of plastic which he could not leave nor could others enter else he would certainly die. And when he did leave it, he knew that there could be no return to it because he would bring the contaminated world with him and its germs would proliferate in the sterile atmosphere. After the seals of his bubble were broken three weeks ago, he did indeed die as he almost certainly knew he would. The experimental bone-marrow transplant of last October did not give him the immunity his doctors had hoped.

Until he left his last chamber 15 days before his death, David had never felt the touch of an ungloved hand on his own, never been held or caressed or kissed directly, never felt a naked hand on his brow or played with another child, never knew dirt. He was a boy set uniquely apart, and the magnitude of his isolation puts in an altered perspective the isolation that is the common human lot. Kafka might have done it justice. David's isolation was pitiable, but it goes beyond pity; it was in fact awesome and terrible—terrible in the classic Aristotelian sense—as was his choice, and it is his choice that is the important thing, the thing that arouses our pity, our terror and that leaves us cleansed and somehow a little more noble than we were. Or, if not exactly more noble, at least aware that the germ of life holds the possibility of nobility, of greatness.

Neither greatness nor nobility is a quality we ordinarily associate with a 12-year-old boy, but his choice involved both. In crawling out of his cell into a world fraught with tremendous dangers and almost certain quick death, David chose the world—the world with its filth and glory—over a long, slow death alone in his antiseptic, solitary cell. He chose to be a man, and the boy who could not himself be touched, profoundly touched us all. We knew his name. His name was David. He knew it was time to go home, as he said, and he did. Hamlet said, and David would have understood, "The readiness is all."●

EMERGENCY WETLANDS RESOURCES ACT OF 1985

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. BREAUX. Mr. Speaker, I am today introducing legislation to protect our Nation's rapidly diminishing wetlands resources. The bill, the Emergency Wetlands Resources Act of 1985, is similar to legislation that was introduced in the last session of Congress and which passed the House of Representatives on September 20, 1984. The only major difference in this year's legislation is that we have deleted that portion of the bill which related to the construction of the Oregon Inlet project in North Carolina.

Mr. Speaker, this legislation is the result of several years of hearings by the Subcommittee on Fisheries and Wildlife Conservation and the Environment on the problem of the loss and degradation of wetlands in this country. As you know, wetlands are those periodically inundated areas that we once believed were wastelands. We have since learned of their value, not only for fish and wildlife, but also for flood control, ground water recharge, and pollution control. Studies done by a number of scientists tell us that the value of preserved wetlands is often many times greater than those that have been converted to agricultural or other uses.

One of our more interesting hearings focused on wetlands losses in those States that constitute the Mississippi flyway. During that hearing, we learned that coastal wetlands losses in my own State of Louisiana total almost 40 square miles per year, almost all of it attributable to erosion. From Louisiana up through Missouri, and along the Ohio River, we are losing approximately 300,000 acres of bottomland hardwoods per year. The

Mississippi River bottomland hardwood ecosystem, which once encompassed almost 22 million acres, has been reduced to less than 3 million acres. In the upper areas of the flyway, in the prairie pothole region, wetlands losses approach 30,000 acres per year.

There are a number of mechanisms that have been employed by both Federal and State governments to halt the destruction of wetlands, but the oldest and most successful method to date has been acquisition. In 1934, at the urging of J.N. "Ding" Darling, an ardent conservationist who was also a talented political cartoonist, Congress passed the so-called Duck Stamp Act. This act requires hunters of migratory waterfowl to purchase and possess a Federal duck stamp. Proceeds from the sale of the stamps are placed in the migratory bird conservation account and used to purchase habitat for migratory waterfowl. The acquisitions are directed by a bipartisan commission made up of the Secretaries of Interior, Transportation, and Agriculture and two Members each from the House and the Senate. Since the program was established in 1934, more than $225 million has been spent for habitat acquisition and more than 3 million acres of waterfowl habitat have been purchased.

In 1961, Congress passed the Wetlands Loan Act to provide a means to accelerate the acquisition of migratory waterfowl habitat. This law, as amended, authorizes $200 million to be appropriated as a loan against future duck stamp revenues and can be used only for the purchase of migratory waterfowl habitat. The authorization, of which more than $150 million have been appropriated, expires at the end of this fiscal year.

Mr. Speaker, in spite of the contribution of waterfowl hunters, the fact is that we have not done enough to protect wetlands through acquisition. In the early 1950's, the Fish and Wildlife Service, the States, and the International Association of Fish and Wildlife Agencies set a goal for the protection of 12.5 million acres—8 million acres by the Federal Government and 4.5 million acres by the States—of waterfowl habitat needed to maintain populations that existed at that time. To date, 1.6 million acres of the Federal share remain to be acquired, with an estimated cost of approximately $1,000 per acre.

This legislation would increase the funds available for wetland acquisition in a number of ways. Our philosophy behind the bill was relatively simple—we should continue to expand the user pay concept and we should provide additional support from the Federal Government to match the contributions of those who have been supporting wildlife conservation for decades.

To expand the user-pay concept, the bill would make two changes in existing law. First, it would raise the price of the duck stamp from $7.50 to $15 over a 5-year period. As a Member of Congress from a district that probably has more duck hunters than anywhere else in the country, you can imagine that I approached this proposal with some trepidation. We conducted an informal poll of duck hunters in Louisiana and more than 80 percent were willing to pay more for their duck stamps as long as it was assured that the contributed money would go for further wetland acquisition and protection. It is a tribute to the concern for conservation among hunters that their support has been overwhelming.

Second, we proposed that entrance fees be charged at refuges where it is feasible and that the proceeds of these fees be placed in the migratory bird conservation account. Persons holding valid duck stamps or Golden Eagle Passports would be admitted to any refuge. The philosophy behind this proposal was that people other than hunters who benefited from refuges should also contribute to the expansion of the refuge system. Once again, we approached the issue with caution. We asked the groups whose members would be most affected by this proposal to comment on it. They were overwhelmingly supportive.

The second title of the bill provides for wetland acquisition and conservation out of the Land and Water Conservation Fund [LWCF]. We believe that the rapid disappearance and degradation of wetlands demonstrates the need to make wetland acquisition and conservation a high priority for moneys from the fund. The title provides for both Federal and State acquisition projects. A number of States have been involved in wetland acquisition and we believe that a State program would be particularly valuable. It should be noted, however, that the State's share of the proposed $75 million is "up to" $50 million. It could well be that the Federal acquisition share could be much higher.

We have also provided that the money could be used for preservation and enhancement projects. While we do not anticipate that a large portion of the funds will be used for these projects, we believe in some instances they may be appropriate. In parts of Louisiana, for example, wetlands are eroding at an incredible rate. While we do not envision this legislation as halting that erosion, we do believe that demonstration projects such as fresh water diversion and other water control projects could protect vital areas and help us develop methods for dealing with the problem on a larger scale.

The legislation provides that grants to the States are to be on a 3-to-1 matching basis. This has been a tradition with other programs, such as Pittman-Robertson, in the wildlife area.

Title III would provide for an acceleration of the wetlands inventory and contains conforming amendments to allow for the use of LWCF funds to purchase wetlands areas.

Mr. Speaker, in spite of its worthy purposes, I have some misgivings relative to reintroducing this legislation. With respect to the raising the price of the duck stamp and establishing user fees for wildlife refuges, many Members probably know that the Office of Management and Budget has recently proposed to withhold money from the Boating Safety and Sport Fish Restoration Fund, the Wallop-Breaux Fund. This fund, which was established by legislation passed last year, is made up largely of the proceeds of two classic user fees—excise taxes on fishing tackle items and the gas tax paid by recreational boaters. As many Members recalled, when we raised the gas tax from 5 cents to 9 cents in 1982, this administration was quick to assure taxpayers that we were not raising taxes, we were increasing user fees. They said the same thing about the expanded tax on fishing tackle items. Now, 3 years later, they are telling us that we should put those funds in the General Treasury. Unless we can resolve this issue satisfactorily with the Office of Management and Budget, it would be senseless to proceed with any additional user fees. In particular, I will not subject the hunters and fishermen of this country, who have been willingly supporting fish and wildlife conservation through the payment of user fees for over 50 years, to any increases in these fees unless we get a firm commitment from this administration that it will administer the Wallop-Breaux Fund in accordance with the law and will not attempt to divert those funds in the future.

I have also given considerable thought to reintroducing legislation calling for an annual appropriation of $75 million for wetlands acquisition. However, while this level of commitment is high, we must also remember that the need is particularly great. Quite simply, if we do not accelerate our wetlands acquisition program, there will soon be nothing left to buy. We should also remember that these funds are matching the many, many millions of dollars contributed by sportsmen through the purchase of duck stamps. Finally, these funds will come from the Land and Water Conservation Fund, a separate fund that comes mainly from Outer Continental Shelf revenues and which has been established for the purpose of acquiring natural areas.

We will be having hearings on this legislation in early March and if we set the proper assurances from the admin-

istration, we hope to move it quickly in the 99th Congress. I hope my fellow Members will lend it their support.●

H.R. 1191

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. BEDELL. Mr. Speaker, today I am introducing the Emergency Farm Bank Assistance Act, H.R. 1191, amending the Federal Deposit Insurance Act for 5 years. This legislation directs the FDIC to extend and to actively use its present authority, established in 1982 to assist savings and loan institutions, to purchase net worth certificates from well managed farm banks. With over 25 percent of their gross lending in agricultural loans, these are the banks which reflect both the difficulties and the hope for recovery in the current economic crisis in the Midwest.

The Nation's 1,441 farm banks account for only 29 percent of all banks, yet in the fourth quarter of 1984 they accounted for 61 percent of all bank failures. This is up from 35 percent in the third quarter, 19 percent in the first half of 1984, and 13 percent for the whole of 1983. In June 1984, 400 farm banks reported losses compared with 282 in December 1983. This rapid escalation of farm bank failures and difficulties illustrates the current crisis and ominous economic trend in the 13 Midwestern States which account for 85 percent of all farm banks. In seven States over half the banks are farm banks.

These banks are generally small, with average assets of $27 million compared with assets of $199 million for the average nonfarm bank. Some rural communities and many small businesses and individuals have depended exclusively on a single farm bank for generations; 84 percent of farm banks are more than 50 years old. When one of these banks fails, the economic disruption and dislocation can be substantial.

Farm credit has been undermined in recent years by the decline in commodity prices and export markets which have weakened cash flow coverage of unprecedented real interest expenses and driven down asset values. However, the crisis in the Nation's heartland is not the result of any inevitable market force. It is the result of a particular set of Government economic policies which distort the world markets and bleed the region of tens of billions of dollars each year.

Recent U.S. economic policies have stimulated some industries but they have caused the dollar to appreciate by 80 percent since 1980, stifling dollar commodity prices and U.S. exports. The dollar price of wheat, for example, has fallen by 10 percent since 1980 while nearly doubling in terms of major European currencies. American producers of food have sold their goods for fewer and fewer overpriced dollars and have still been substantially undersold by foreigners who receive much more for their goods in terms of their own currencies.

Change in wheat prices for various currencies, 1980 to February 15, 1985

	Percent
U.S. dollar	−10
German mark	+61
United Kingdom pound	+89
French franc	+113
Italian lira	+112
Spanish peseta	+127

Economists estimate that a 40-percent rise in the value of the dollar costs U.S. producers $2 per bushel of soybeans, 48 cents per bushel of corn and 80 cents per bushel of wheat. With 2.5 billion bushels of soybeans produced per year, 3 billion bushels of wheat and 8 billion bushels of corn, this comes to $11 billion on just three commodities. The current extraordinarily high value of the dollar, which has contributed to successive all time world trade deficits, reaching $123 billion in 1984, cannot continue indefinitely.

The Emergency Farm Bank Assistance Act will provide well managed farm banks and their rural communities with 5 years to weather the current financial storm and to adjust in an orderly fashion to new, long-term realities in world markets. Except in the case where the FDIC has discovered mismanagement, farm banks may issue net worth certificates when their capital to assets ratio drops below the required 6 percent. Farm banks with a capital ratio greater than 4 percent but less than 6 percent may issue net worth certificates to the FDIC in an amount not to exceed 50 percent of operating losses in the 12 months just past. Farm banks with a capital ratio greater than 2 percent but less than 4 percent may issue net worth certificates not to exceed 60 percent of operating losses. Those with capital ratios from zero to 2 percent may issue net worth certificates not to exceed 70 percent of operating losses for the previous 12 months.

The Emergency Farm Bank Assistance Act unfortunately will not save all the well managed farm banks nor all the good, efficient farmers that are in trouble. It is, however, one modest, responsible action that we can take immediately that will be of enormous assistance to many marginal farm banks and their small business and individual customers. I believe that we owe it to ourselves and to our Nation to do all that we reasonably can do in this emergency situation. I welcome your support for H.R. 1191.

The text of H.R. 1191 follows:

H.R. 1191

A bill to provide emergency financial assistance to farm banks

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Farm Bank Assistance Act".

NET WORTH ASSISTANCE FOR FARM BANKS

SEC. 2. (a)(1) Section 13(i) of the Federal Deposit Insurance Act (12 U.S.C. 1823(i)) is amended by adding at the end thereof the following new paragraph:

"(14)(A) The Corporation is hereby directed to actively use the authority contained in this subsection to purchase net worth certificates of qualified institutions which make more than 25 percent of their loans to persons who use the proceeds of such loans to engage in the production of agricultural products or livestock in the United States.

"(B) For purposes of this paragraph, a qualified institution—

"(i) satisfies the requirements of paragraph (2)(A) if such qualified institution has a net worth equal to or less than 6 percent of its assets;

"(ii) is not required to satisfy the provisions of paragraph (2)(F);

"(iii) satisfies the net worth requirements of paragraph (5)(A) if such qualified institution has a net worth greater than 4 percent and less than or equal to 6 percent;

"(iv) satisfies the net worth requirements of paragraph (5)(B) if such qualified institution has a net worth greater than 2 percent and less than or equal to 4 percent; and

"(v) satisfies the net worth requirements of paragraph (5)(C) if such qualified institution has a net worth greater than 0 and less than or equal to 2 percent.".

(2) The amendment made by paragraph (1) is hereby repealed five years after the date of the enactment of this Act.

(b) Section 206(a) of the Garn-St Germain Depository Institutions Act of 1982 is amended by striking out "three years" and inserting in lieu thereof "eight years".●

CREDIT CARD FINANCE CHARGES TARGETED FOR REDUCTION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. BIAGGI. Mr. Speaker, American consumers are paying through the teeth every time they use their credit cards. That is why I am introducing a bill today to lower the finance charges on credit card accounts by at least 5 percentage points.

The problem this bill seeks to correct is really quite simple. While banks are obtaining money to loan to their customers at a discount rate of about 8 percent from the Federal Reserve, those same banks are turning around and charging their credit card customers as much as 19 percent interest. Obviously, that is wrong. Just as the economic upswing has allowed banks and other credit card issuers to secure money at dramatically reduced rates,

so should consumers be allowed to benefit from lower credit card interest rates.

My bill is both simple and fair. It states that "the rate of interest charged on any consumer credit transaction involving a credit card shall not be more than 5 percentage points higher than the discount rate on 90-day commercial paper," which is an accurate and commonly used standard reflecting what banks are paying for their short-term money.

Based on the current 8.55 percent discount rate on commercial paper, this means that credit card issuers would be able to charge their customers no more than 13.55 percent in finance costs. Banks currently charge their credit card customers about 18 percent in interest, and some department stores charge up to 24 percent. In my home State of New York, the average interest charge on credit card purchases is 19.2 percent.

Mr. Speaker, this legislation is modeled after a similar credit card interest rate policy adopted by the State of Arkansas. In that State, they have the same 5 percent cap on credit card interest rates as proposed in my bill, and banking officials there claim to still be making plenty of money.

Admittedly, finance charges are necessary to help cover administrative costs and the risk of loaning unsecured money, in addition to allowing credit card issuers a margin of profit. But, the Arkansas situation proves that a 5-percent cap on finance charges above the discount rate is more than enough to meet those needs. It should be noted, too, that finance charges are not the only source of funds to credit card issuers. Retailers pay credit card issuers at least 2 percent of the value of the goods or services charged, and card users pay anything from $18 to $50 in annual fees for the right to use plastic money. Suffice it to say that costs to credit card issuers vary according to economic conditions, so by tying finance charges to the discount rate, we are allowing for those variances, while at the same time ensuring that the consumer is also treated fairly.

The exorbitant and artificially inflated credit card interest rates we are now being forced to pay can be blamed on a number of factors. They include a very high consumer credit demand; the consumer's unwillingness to shop around for the best deal on credit cards; and consumer ignorance about just how much they are actually paying in credit card interest. Some form of consumer protection is needed to offset these factors and my bill would serve that important purpose.

Authorities estimate that last year Americans charged some $293 billion worth of goods on the 703 million credit cards that are currently in circulation. Of that $293 billion, about $108 billion (or about one-third) is still outstanding, with interest being added on at outrageous and unjustified rates.

Mr. Speaker, much of the credit for our Nation's economic upturn has been given to increased consumer spending habits. We must do everything possible to encourage those habits to continue and lower credit card finance charges would help to accomplish that very worthwhile objective. I urge my colleagues to join me in this important cause and am hopeful this legislation receives the prompt and favorable consideration it deserves.

At this time, Mr. Speaker, I wish to insert the full text of my legislation:

H.R. 1197

A bill to amend the Truth in Lending Act to limit the rate of interest which may be charged on credit card accounts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 106 of the Truth in Lending Act (15 U.S.C. 1605) is amended by adding at the end thereof the following new subsection:

"(f) The rate of interest charged on any consumer credit transaction involving a credit card shall not be more than 5 percentage points higher than the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district in which the card issuer is located.".●

H.R. 1219, THE NATIONAL TRAINING INCENTIVES ACT OF 1985

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. CLINGER. Mr. Speaker, on behalf of Congresswoman NANCY JOHNSON and 31 of our colleagues, I have introduced today the National Training Incentives Act of 1985, a bill which will provide incentives to both employees and employers for retraining.

I joined with Mrs. JOHNSON and a number of our colleagues, from both sides of the aisle, last year in sponsoring similar legislation. We have been encouraged by the support which the bill has received including the President's Committee on the Next Agenda, the House Republican Research Committee on the First One Hundred Days, and also groups directly involved in retraining efforts such as the American Society for Training and Development.

This proposal does not require large Federal outlays or a complex delivery system, but instead encourages workers and employers to prepare for inevitable changes in job requirements, technological demands, and skills levels.

The bill does this by providing employers with a 25 percent tax credit for training expenses over a 5 year historical average. This rewards the type of training, on-the-job, which experts agree is the most effective, and produces $4 in private sector training for every dollar in lost Federal revenues.

Mr. Speaker, we believe this proposal is consistent with the Treasury plan for tax neutrality. The Treasury plan continues investment incentives for research and development, and for plant and equipment, but fails to acknowledge the human element in competitiveness. Our proposal removes the bias that otherwise exists in the Treasury plan, and makes it truly neutral.

Our approach also allows individuals who have IRA's to withdraw up to $4,000 over 5 years, without penalty, to pay for job retraining. According to IRS statistics, this provision would cover over 13 million working Americans, a surprising number of which are largely middle- and lower-income earners.

The bill also provides that the participation of displaced workers in an eligible training program will not disqualify these workers from unemployment compensation to which they are otherwise entitled.

Furthermore, Mr. Speaker, these measures are not intended to replace or duplicate existing training programs such as JTPA or displaced workers programs, but are intended to stimulate a more realistic, better coordinated, and comprehensive use of resources for training.

I think we in the Congress would all agree that we must move away from the failed approaches of previous Federal training efforts, and toward a more forward looking effort which considers ways in which government, business, and individuals can work together to better deal with changing economic events.

A more detailed explanation of the principal provisions of the proposal follows:

AN EXPLANATION OF THE NATIONAL TRAINING INCENTIVES ACT OF 1985

Fundamental weaknesses in the U.S. work force were revealed during the last recession. Incentives to train or retrain workers were virtually non-existent. Many of those displaced from their old jobs were either ill-equipped to enter a new occupation or financially incapable of acquiring new skills. Moreover, employers and workers alike were poorly served by the Employment Service and by the nationwide system of unemployment benefits provided as income assistance. In many cases benefits ran out without facilitating a meaningful transition to gainful employment or to a new occupation.

The intent of this legislation is to provide incentives for worker training, both through employer and individual incentives, to examine the cost, feasibility, and expected benefits of a nationwide job bank system, and to assess the possibility of using non-profit community-based organizations to assist low-skilled individuals in finding work.

Title I of the bill is designed to assist structurally unemployed workers by allowing them to use for retraining funds invested in Individual Retirement Accounts

(IRAs) or annuities. The bill permits an unemployed individual or one who has received advance notice of layoff to withdraw without the existing 10% interest penalty up to $4,000 for the purpose of financing occupational training.

Any individual who is unemployed, has obtained job counseling within the last year, and meets certain basic requirements under the unemployment compensation law may make withdrawals from IRAs or annuities for training purposes. Those who have received a notice of layoff within six months may also make withdrawals. The individual must first obtain employment counseling from a local employment office before withdrawals can be made; the employment office then certifies in writing that an individual is eligible to make such withdrawals, using criteria established under existing unemployment compensation law.

The certificate of eligibility, along with an invoice or other evidence of enrollment from a qualified training institution, is then presented by the individual to the trustee (bank or other financial institution) of the IRA or annuity. The amount needed (up to $4,000) is then issued to the training institution in the form of a voucher and is not taxable. The voucher can be used to pay a variety of expenses associated with the training program, including books, tuition, fees, materials, and special tools or equipment.

Training programs that individuals may pursue under this legislation are in general any programs offered by a qualified institution (an institution of higher education, a postsecondary vocational institution, a proprietary institution of higher education, and those institutions meeting criteria established by the Secretary of Labor) which prepares participants for gainful employment. The statutory definitions of "training program" and "qualified institution" track those in existing law, and anti-discrimination provisions are applied to all qualified institutions and eligible training programs.

Title I also removes a disincentive against retraining by providing that any displaced worker otherwise eligible for unemployment compensation shall not be denied such payment due to participation in a training program.

Title II of the bill permits employers to deduct from their tax liability 25% of any skills training expenses in excess of the average skills training expenses incurred by the employer over the preceding five-year period. This provision is modeled after the existing 25% R&D tax credit, enacted in 1981 to encourage private research, and is designed to provide a tax incentive for new training programs sponsored, paid for, or conducted by employers.

The employer may apply the tax credit to expenditures for any state or federally registered apprenticeship program, any employer-run on-the-job or classroom training program, any cooperative education, or any other program designated by the Secretary of Labor. The training tax credit conforms to existing carryback and carryforward provisions found in the tax code which apply to the R&D credit.

Title III of the bill directs the Secretary of Labor to report to Congress within one year on the extent to which a nationwide job bank system can be expected to increase employment opportunities in each state, its cost, and its adaptability to existing unemployment services. The Secretary must also assess in the report the feasibility of using nonprofit, privately-operated job-referral services for the referral of individuals to jobs in low-wage industries where little or no skill is a prerequisite for employment rather than using state employment service offices. Title III also authorizes funds to cover administrative expenses incurred through the counseling and certification process; this amount ($37 million) is equivalent to 5% of the current administrative budget for the U.S. Employment Service.

Title IV amends the Job Training Partnership Act to instruct Private Industry Councils (PICs) to make available throughout service delivery areas information regarding training programs. Title IV also provides that, for the purposes of determining eligibility for Pell grants, any amount withdrawn from an IRA or annuity for training purposes as well as any amount received in the form of unemployment compensation shall not be included as family income.●

THE NATIONAL TRAINING INCENTIVES ACT OF 1985

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mrs. JOHNSON. Mr. Speaker, I am pleased to introduce today, with the support of Congressman WILLIAM CLINGER and 31 of our colleagues, the National Training Incentives Act of 1985. This legislation is similar to legislation I introduced during the 98th Congress and is an important addition to the debate over how we provide for job retraining, and, if enacted, would supply a potent new incentive for companies to upgrade the skills of their workers.

Too often we have focused on the need to invest in new factories, more modern equipment, and research without according the same attention to investing in America's workers. By providing a 25 percent tax credit for worker training expenses, this legislation recognizes that firms should be encouraged to invest in people in the same way that they are encouraged to invest in research and plant and equipment.

Although this tax credit would likely result in lost tax revenue, I believe that it is a modest investment in reducing the billions of dollars in unemployment compensation that were paid out over the last 2 years. The Joint Committee on Taxation has estimated this per year revenue loss would average $600 million over the next 5-year period, which is indeed a modest investment that leverages $2.4 billion in additional private sector per year expenditures on retraining and accords the benefits of having a better trained work force.

The National Training Incentives Act also lets unemployed individuals draw on their individual retirement accounts without the prescribed 10 percent interest penalty to pay for retraining. Money put into IRA's is intended as an investment, and it is only fair to allow the use of this money for retraining, which is also an important long-term investment.

Finally, this legislation recognizes that changes are possible in the administration of the U.S. Employment Service, which has been criticized frequently for not meeting the needs of the unemployed. Prescribed in this bill is an examination by the Secretary of Labor of the feasibility, cost, and expected benefits of a nationwide job bank system, which would link by computer the various job listings in each State so that information on employment opportunities is available nationwide. The study would also consider the possibility of using nonprofit community based organizations as an alternative to the Employment Service to assist low-skilled individuals in finding work.

This bill will not reach everyone, but is nonetheless a sound mechanism for leveraging a substantial amount of training. This bill also asserts that job retraining is a lifelong pursuit; an investment that individuals, with the assistance of government and employers, should undertake as a part of their overall career objectives.●

PUBLIC DEFENDERS OFFICE OF SANTA CLARA COUNTY HONORED

HON. DON EDWARDS

OF CALIFORNIA

HON. NORMAN Y. MINETA

OF CALIFORNIA

HON. ED ZSCHAU

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. EDWARDS of California. Mr. Speaker, as the Public Defenders Office of Santa Clara County prepares to celebrate 20 years of service to the citizens of our valley, we would like to share some of the history of this fine organization with our colleagues.

In 1878, Ms. Clara Shortridge Foltz, a divorced mother of five, became California's first woman lawyer. She began her practice in San Jose after securing adoption of an amendment to the California Civil Code deleting language restricting the practice of law to "white males." Clara faced her share of discrimination within her profession. The district attorney of San Francisco, while making his closing argument, described Ms. Foltz in this manner: "She is a woman, she cannot be expected to reason: God almighty decreed her limitations."

Ms. Foltz represented many indigent defendants in criminal matters and was struck by the inequity of a system that provided publicly employed skilled prosecutors but left indigents to the varied talents of volunteers.

51-059 O—86——7 (Pt. 3)

Clara conceived of the idea of a county public defenders office. She drafted the "Foltz defender bill." In 1921, after years of legislative struggles, the bill was enacted into law in California.

In 1964 the board of supervisors of Santa Clara County adopted an ordinance establishing a public defenders office to provide legal assistance to indigents in criminal, juvenile and mental health cases. Judge R. Donald Chapman was the first public defender. Since 1964 the Office of the Public Defender of Santa Clara County has provided competent legal service to over 375,000 persons. Illustrating the respect for the quality of its personnel, the last three Governors of our State have appointed 11 members or former members of the public defenders office to the trial and appellate judiciary.

On April 27, the friends of the public defenders office will gather in San Jose to celebrate 20 years of service to our people. We will be honoring Sheldon Portman and his many years of outstanding service to the public defenders office. We will all remember and thank Clara Shortridge Foltz for opening the doors of the legal profession and for her tireless search for equity under the law for all.●

NO TAX DEDUCTIONS FOR TAX EVASION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. STARK. Mr. Speaker, I am today introducing a bill which would clearly and once and for all deny all tax deductions for expenses of attending overseas seminars or conventions which include discussions on how to avoid U.S. taxes.

Tax evasion is bad enough, but for the organizers of these seminars to be advertising them as being 100 percent tax deductible just rubs salt in the wounds of the rest of the Nation's honest taxpayers.

For many individuals, all or part of such convention expenses may not be deductible and advertisements blithely saying they are 100 percent deductible are wrong and may well constitute mail fraud or other types of false advertising.

Unfortunately, the law is not clear and for some taxpayers, the expenses may be in large part picked up by Uncle Sam and the rest of the Nation's taxpayers.

My legislation would nail down the issue once and for all.

The effective date of the bill is today. It is designed to make nondeductible the type of May seminars advertised by one group and which I partially reprint here. People can still attend these meetings; they would not, however, be able to deduct the expenses.

ENJOY 6 TAX-DEDUCTIBLE DAYS IN NASSAU OR ACAPULCO OR ZURICH—AND DISCOVER HOW TO MAKE YOUR ASSETS AS SAFE AS GOLD

Your choice of three delightful locations to bring yourself up to date on the NEW importance of . . . the Swiss bank and the Swiss survival investments.

YOUR CHOICE OF THREE DELIGHTFUL LOCATIONS

And what a choice! Nassau in the sunny Bahamas—just when the cold weather is settling in up north. Acapulco, Mexico's most beautiful vacation spot—and pleasantly warm in mid-December. Or Zurich in May of 1985—spring in the Swiss Alps! If you join us in Zurich, you may also wish to come along for the optional trips to Vienna and Budapest, two of Europe's loveliest ancient capitals.

SEMINAR DATES AND FEES

Place	Arrive	Depart	Person couple seminar Fee
Nassau, the Bahamas	Nov. 30, 1984	Dec. 6, 1984	$300/$575
Acapulco, Mexico	Dec. 7, 1984	Dec. 13, 1984	$300/$575
Zurich, Switzerland	May 15, 1985	May 22, 1985	$495/$900
Vienna, Austria (optional with Zurich Seminar)	May 22, 1985	May 28, 1985	$250/$450
Budapest, Hungary (optional with Zurich Seminar)	May 28, 1985	May 31, 1985	$150/$275

THE TAX DEDUCTION CAN CUT YOUR COST IN HALF

For most taxpayers with discretionary income, the cost of the seminar can be cut in half with the tax deduction. In fact, if you live in a state or city with an income tax, the savings could run over 60%.

The seminar and travel costs are reasonable, all by themselves. And with the tax savings, they give you one of the world's great travel bargains. Nassau . . . Acapulco . . . Switzerland—how else could you travel in luxury at such a modest cost?

OPTIONAL EXTRA SEMINARS IN VIENNA AND BUDAPEST

If you select the Zurich Seminar in May 1985, you may also visit Vienna and/or Budapest and attend our Vienna Seminar. You arrive in Vienna directly from Zurich on Wednesday, May 22, 1985. Thursday and Sunday are devoted to sightseeing; Friday and Saturday to . . .

THE AUSTRIAN BANKING SEMINAR

In Austria your co-host will be the prestigious "X". The presentations will feature ten experts, including x, y and z. Their subjects:

The Economy of Austria;
Austria: the little-known money haven;
investing in European Antiques;
the Austrian Banking Alternative;
how to use your Bankhaus Deak account;
the present world economy;
the history and culture of Austria; and
Austrian legal considerations for nonresidents.

Saturday will be given over to private meetings with the Austrian experts (flavored by shopping or sightseeing, at your option).

Tuesday, May 28, the group leaves Vienna by boat along the beautiful Danube River, and arrives in Budapest, where the Hungarian Chamber of Commerce is your host. Wednesday and Thursday will feature meetings at the Hungarian Chamber of Commerce and the Foreign Exchange Division of the Hungarian National Bank, plus sightseeing. You should not miss "The Paris of Eastern Europe."

100 PERCENT TAX-DEDUCTIBLE

Not only is the seminar fee tax-deductible. So are your meals, your hotel, your travel expenses. In the opinion of our tax attorney, the seminar clearly meets IRS requirements for the full tax deduction.

If you've been thinking about attending one of my seminars, let me leave you with one thought: do it NOW. This is an election year. The Administration is doing its best to put a pretty face on the economy. But after November 4, how long before the makeup starts to fade? Not long, with the national debt soaring by $200 billion a year. Therefore, doesn't it make sense to check out how to put some of your money safely away in Switzerland? You can still do it, legally and privately. But how long can that last?

HOW TO REGISTER

Since the seminars usually sell out and since enrollment is strictly limited to 130 for Nassau or Acapulco and 175 for Zurich, it is important to register as soon as possible. Remember, you risk only the $50 cancellation fee if something comes up and you can't attend.

If you prefer to make separate travel or hotel arrangements, you should still register with "X", simply by calling the toll-free number. You may, of course, charge all costs to your credit card.

To protect your privacy, we are not listing the hotels where we will hold the seminars.

HEAR THESE SUBJECTS EXPLAINED CLEARLY, IN PLAIN LAYMAN'S LANGUAGE—DON'T FORGET TO BRING ALL YOUR OWN QUESTIONS, TOO!

Financial privacy: how the Swiss safeguard it, while Uncle Sam keeps chipping away at it.

How to open a Swiss bank account legally, privately, safely.

Which type of Swiss bank account best fits your needs?

How to communicate with your Swiss banker—privately.

Investments now being recommended by Swiss counsellors for their private overseas clientele: a wide choice of foreign stocks and offshore mutual funds.

How to keep some of you money overseas—even if the government imposes exchange controls again.

The Marc Rich case: how the Swiss wall of financial privacy withstood every effort of the U.S. government to break it down.

How you Swiss connection will protect you if the government again bans gold ownership.

Ways to send money abroad AND bring it home—confidentially. . . .

This is just a hint of the facts you'll get at the coming seminars. With ten experts to guide you, they're just about certain to explain every option in the great Swiss financial supermarket.

But if they happen to overlook something, or if you need more information about a particular choice, you have the fail-safe solution. You can ASK them! That's what they're there for. That's what you're paying for.

Mr. Speaker, following is an IRS analysis of the possible tax treatment of these types of seminars. My bill will reduce this 2½ page answer to one sentence, making it one of the best simplification bills of the year.

COMMISSIONER OF INTERNAL REVENUE,
Washington, DC, October 22, 1984.

Hon. FORTNEY H. (PETE) Stark,
House of Representatives,
Washington, DC.

DEAR MR. STARK: This is in reply to your August 30 letter in which you expressed concern about a brochure you received advertising investment seminars in Nassau, Acapulco, and Zurich. The seminars primarily concern Swiss banking secrecy. The brochure states that the cost of the seminars is deductible for tax purposes.

The information in the brochure alone is not sufficient to enable us to issue a ruling as to the deductibility of the cost of these particular seminars. Certainly there is reason to question whether the cost would be legitimately deductible, because Congress has enacted legislation specifically intended to disallow deductions for trips that are actually foreign vacations. However, the deductibility of expenses incurred in travel that is reasonable and necessary in the conduct of a taxpayer's business or other income-producing activity depends on all the facts and circumstances in each case.

Which sections of the law apply in this particular case would also depend on which of the three specified locations the seminar was held in. Sections 212, 274(c), and 274(d) of the Internal Revenue Code would apply whether the seminar is held in Nassau, Acapulco, or Zurich. If the seminar is held in Zurich or Nassau, section 274(h) of the Code would also apply.

Section 212 of the Code allows an individual a deduction for all the ordinary and necessary expenses paid or incurred during the tax year for the production or collection of income or for the management, conservation, or maintenance of property held for the production of income.

Section 1.212-1(g) of the regulations states that investment expenses are deductible under section 212 only if (1) they are paid or incurred by the taxpayer for the production or collection of income or for the management, conservation, or maintenance of investments held by the taxpayer for the production of income, and (2) they are ordinary and necessary under all the circumstances, having regard to the type of investment and to the relation of the taxpayer to the investment.

Section 274(c) of the Code provides that, in the case of any individual who travels outside the United States away from home in pursuit of a trade or business or in pursuit of an activity described in section 212, no deduction shall be allowed for that portion of the expenses of such travel otherwise allowable which, under regulations, is not allocable to such trade or business or to such activity. The rules for allocating such expenses set forth in the applicable regulations are described on pages 4 and 5 of the enclosed Publication 463.

Section 274(d) provides that substantiation of travel expenses is required. The rules for substantiation are on pages 14-16 Publication 463.

Section 274(h) provides, in pertinent part, for the disallowance of travel expenses incurred to attend a convention, seminar, or similar meeting outside the North American area unless the taxpayer establishes that the meeting is directly related to an activity described in section 212 and that, after taking into account certain specified factors, it is as reasonable for the meeting to be held outside the North American area as within the North American area. Section 274(h)(3)(A) defines the term "North American area" as the United States, its possessions, and the Trust Territory of the Pacific Islands, and Canada and Mexico. The rules of section 274(h) are explained in more detail in Publication 463 beginning on page 5.

In Revenue Ruling 84-113 (copy enclosed), the Service held that an individual who traveled to a resort area in the United States for seven days, which included two days of investment seminars, could not deduct the travel expenses incurred under section 212 because the time spent on investment activities was insubstantial in comparison to the time spent for personal activities; the expenses incurred for travel were not primarily related to the individual's investment activities; and none of the individual's other expenses were shown to be specifically allocable to the management of the individual's investments.

In Revenue Ruling 84-55 (copy enclosed), the Service held that expenses incurred in connection with a university's continuing education program that combines foreign travel with attendance at brief education-oriented conferences are generally nondeductible personal expenses.

In litigation involving similar issues, the Service sometimes has been successful, and sometime not. In *Holswade* v. *Commissioner*, 82 T.C. 686 (1984), the Tax Court held that a corporation owned by and employing a physician who attended financial planning seminars and a medical seminar aboard cruise ships and at an Acapulco resort hotel could deduct only the portion of the expenses incurred that was allocable to employee plan lectures or medical practice lectures he attended. The major portion of the expenses incurred was held to be nondeductible. In *Gustin* v. *Commissioner*, T.C.M. 1983-592, on the other hand, the Tax Court held that an individual who was active in investment club activities and held a personal stock portfolio worth $98,000 could deduct, under section 212, the cost of attending the World Congress of Investment Clubs in Amsterdam, The Netherlands, even though she acted as secretary for the convention and immediately following the convention took a vacation trip to Greece (the additional cost of which was not deducted). The court concluded that gathering investment strategy and information was the taxpayer's primary purpose in taking the trip.

I understand your motivation for bringing this practice to the Service's attention, and I very much appreciate your taking the time to do so. I also recognize that the foregoing reads like an extremely technical answer to what should be a simple question. Unfortunately, as you can see, the issue does depend on the facts and circumstances of each case. Any change in the law to tighten the requirements for deducting the costs of attending a foreign convention would require legislative action by Congress.

With kind regards,
Sincerely,

TOM E. PERSKY,
ASSISTANT TO THE COMMISSIONER,
(Legislative Liaison).●

LITHUANIAN INDEPENDENCE DAY

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, I am proud to join my colleagues in commemorating Tuesday, February 19, 1985, as Lithuanian Independence Day. Sixty-seven years ago, the courageous Lithuanian people asserted their right to self-determination and declared Lithuania a united and independent republic.

Sadly, in June of 1940, under the Nazi-Soviet alliance of Hitler and Stalin, the Soviet Union demanded a Soviet-installed government in Lithuania and held a single-party election. One month later, the Soviet Union annexed this heroic but vulnerable nation, occupied by German troops until the end of World War II, and then reoccupied by Soviet forces. The United States has never recognized the unlawful occupation of Lithuania and her neighbors, and continues to maintain diplomatic relations with the representatives of the independent republic of Lithuania.

Uncounted thousands of brave Lithuanians have been killed or imprisoned by the Soviet Union for their struggles to save the rich culture and heritage, the religious freedom, and the political independence of their homeland from foreign oppression. Hundreds of thousands more have been forced to flee their native land because of their unshakable belief in a free Lithuanian and the rights of her people.

Lithuanians throughout the world continue to struggle for a new Lithuanian independence and for the reestablishment of the basic human rights of the Lithuanian people. I am honored to join with Lithuanians everywhere in their quest for freedom and in the celebration of Lithuanian Independence Day.●

THE INDOMITABLE SPIRIT OF THE LITHUANIAN AND BALTIC PEOPLE

HON. C.W. BILL YOUNG
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. YOUNG of Florida. Mr. Speaker, this week we commemorate the 67th anniversary of Lithuanian Independence Day, a time of great joy and great sorrow for the Lithuanian and Baltic people. While it is a day of tremendous pride for Lithuanians throughout the world, it is sad to note that the Soviet Union has denied freedom and independence to these people for the past 45 years.

Since overrunning Lithuania and its Baltic neighbors Estonia and Latvia in 1940, the Soviets have undertaken a continuous, but unsuccessful campaign, to eliminate the traditions, language, religion, and cultural heritage of the Baltic people. On this, one of the brightest days of Lithuanian history, we pay tribute to the indomitable spirit of the Lithuanian and Baltic people who share the common dream that one day soon they may know the freedom and liberties that have been denied them for more than four decades.

Symbolic of this quest for freedom is the lifelong work of my friend and constituent Dr. Casimir Kazys Bobelis, of St. Petersburg, FL. Dr. Bobelis emigrated to the United States from Lithuania in 1948. Since that time, he has not been able to return to his homeland. He has, though, worked fiercely in support of the Lithuanian people and their battle against the Soviets to regain their religious and personal freedom.

Dr. Bobelis has served since 1979 as president of the Supreme Committee for the Liberation of Lithuania and has provided moral and financial assistance to Lithuanian underground Catholic churches and newspapers.

Pope John Paul II recognized Dr. Bobelis' work on behalf of the Lithuanian people by awarding him the commander in the Knighthood of St. Gregory medal, the highest honor awarded by the Pope to lay persons of the Catholic church. The Pope made this highly coveted presentation to Dr. Bobelis in absentia during a ceremony last month in Lithuania paying tribute to the 500th anniversary of St. Casimir, the patron saint of Lithuania.

It is in recognition of Dr. Bobelis' work, which symbolizes the never-ending battle for freedom waged by the Lithuanian people, that I am reintroducing today two resolutions expressing the support of Congress for the return of full freedom and independence to Lithuania and the Baltic States. My resolutions, which follow my remarks, also call for the Soviets to release the Baltic people being held as political prisoners.

The Lithuanian and Baltic people's pursuit of freedom despite the Soviet Union's blatant disregard for their human rights, is a source of inspiration to people throughout the world. We must do all we can to support their struggle for freedom because as Americans, we cannot accept the unwanted domination of one nation over another anywhere in the world.

H. CON. RES. 65

Whereas the United States, since its inception has been committed to the principle of self-determination;

Whereas this essential moral principle is also affirmed in the Charter of the United Nations;

Whereas the Union of Soviet Socialist Republics is, according to its Constitution, a voluntary federation of autonomous republics;

Whereas the three Baltic Republics (the Republic of Lithuania, the Republic of Latvia, and the Republic of Estonia) did not become member republics of the Union of Soviet Socialist Republics voluntarily, but rather were occupied military by Russian Armed Forces in the early days of World War II and subsequently incorporated by force into the Union of Soviet Socialist Republics and have since been governed by governments approved by, and subservient to, the Government of the Union of Soviet Socialist Republics;

Whereas the ethnic makeup of the Baltic peoples (the Lithuanians, Latvians, and Estonians) is distinctly foreign in language, culture, common traditions, and religion from that of the Russian people;

Whereas, by deportation and dispersion of the native populations of the Baltic States to Siberia and by a massive colonization effort in which Russian colonists replace the displaced native peoples, the Soviet Union threatens complete elimination of the Baltic peoples as a culturally, georgraphically, and politically distinct and ethnically homogeneous population;

Whereas, despite such treatment, the spirit of the citizens of the Baltic States is not broken and the desire of the citizens of the Baltic States for national independent remains unabated;

Whereas the United States has consistently refused to recognize the unlawful Soviet occupation of the Baltic States and has continued to maintain diplomatic relations with representatives of the independent Republic of Lithuania, Latvia, and Estonia; and

Whereas the United Nations and the United States delegation to the United Nations have consistently upheld the right of self-determination of the people of those countries in Asia and Africa that are, or have been, under foreign imperialist rule: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the President and the Secretary of State should take all necessary steps to bring the Baltic States question before the United Nations and to urge that the United Nations request the Soviet Union—

(A) to withdraw all Russian and other nonnative troops, agents, colonists, and controls from the Republics of Lithuania, Latvia, and Estonia, and

(B) to return all Baltic exiles from Siberia and from Prisons and labor camps in the Soviet Union;

(2) until the Baltic States become independent, the Secretary of State should, through such channels as the United States Information Agency and other information agencies of the United States Government, do his utmost to bring the matter of the Baltic States to the attention of all nations by means of special radio programs and publications;

(3) the United States should not agree to the recognition, by any international conference, of the Soviet Union's unlawful annexation of Lithuania, Latvia, and Estonia, and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic States by the Soviet Union;

(4) the President should require that all government map publishers, and should request that all private map publishers, show, on all maps of Europe, the Republics of Lithuania, Latvia, and Estonia as independent states, with a footnote explaining that the military occupation and forced incorporation into the Soviet Union of Lithuania, Latvia, and Estonia has never been recognized by the United States;

(5) the right of self-determination should be returned to the peoples of Lithuania, Latvia, and Estonia through free elections conducted under the auspices of the United Nations after Soviet withdrawal from the Baltic States; and

(6) the right of self-determination should be made a prime political objective of the United Nations and should be accorded through free elections under the auspices of the United Nations to all peoples now involuntarily subjugated to Soviet communism.

H. CON. RES. 66

Whereas the United States does not recognize the illegal annexation by the Soviet Union of the Baltic nations of Estonia, Latvia, and Lithuania;

Whereas the United States as a member of the United Nations has pledged to uphold the ideals of the United Nations Charter and "to take joint and separate action" to promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion";

Whereas during the 83rd Congress, the Select Committee to Investigate Communist Aggression of the House of Representatives thoroughly investigated the seizure of the Baltic nations by the Soviet Union and, in its Third Interim Report, concluded that the "evidence is overwhelming and conclusive that Estonia, Latvia, and Lithuania were forcibly occupied and illegally annexed by the Union of Soviet Socialist Republics";

Whereas the United States, as a signatory to the Final Act of the Conference on Security and Cooperation in Europe, endorsed Principle VIII, concerning equal rights and self-determination of peoples, which states "all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development" and the "participating States . . . also recall the importance of the elimination of any form of violation of this principle"; and

Whereas the House of Representatives in the 96th Congress, by adopting H. Con. Res. 200, reaffirmed the United States policy concerning the Baltic nations and thereby urged positive actions: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should—

(1) enter into discussions with the Soviet Union—

(A) for the withdrawal of all non-Estonian, non-Latvian, and non-Lithuanian military, political, administrative, and police personnel from Estonia, Latvia, and Lithuania, respectively, and

(B) for the release of political prisoners of Estonian, Latvian, or Lithuanian nationality from prisons, labor camps, psychiatric institutions, and other detention centers within the Soviet Union and their return to Estonia, Latvia, and Lithuania, respectively;

(2) instruct the United States delegation to each review meeting of the Conference on Security and Cooperation in Europe to seek consideration of the following matters:

(A) the illegal annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and

(B) the denial of self-determination and territorial integrity of Estonia, Latvia, and Lithuania by the Soviet Union; and

(3) make every effort to gain the support and cooperation of all nations to achieve the objectives of the discussions under paragraph (1) and the consideration of the matters under paragraph (2).●

LITHUANIAN INDEPENDENCE DAY

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1985

● Mr. DWYER of New Jersey. Mr. Speaker, I wish to join my fellow colleagues in commemorating the 67th Anniversary of Lithuanian Independence Day.

As the Lithuanian people commemorate the anniversary of their declaration of independence, they continue to face serious threats to their religious, cultural, and educational freedoms. I know I am not alone when I say that totalitarianism has deprived these people of the most important possessions they have—their personal and political freedoms. It is indeed regrettable that Lithuanians must live under these oppressed conditions.

I call upon my colleagues in Congress today, to make this important commitment on behalf of Lithuania a year-round effort. We must remember that those who suffer without the freedoms we so easily take for granted look to us for guidance in the international human rights struggle.

Our foreign policy must always reflect this commitment. As representatives in the free world, it is imperative we commit ourselves to the release of the oppressed from the imposition of Soviet rule where all fundamental freedoms have been repressed.

I wish to thank my able colleague, FRANK ANNUNZIO, Congressman from Illinois and the Lithuanian American Council for calling my attention to this important special order.●

ANNIVERSARY OF LITHUANIAN INDEPENDENCE

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1985

● Mr. HERTEL of Michigan. Mr. Speaker, 67 years ago, on February 16, 1918, the people of Lithuania rejoiced in the democratization and independence of Lithuania. For a regrettably short period, Lithuanians enjoyed a more liberal society—one in which censorship, religious persecution, and political oppression were replaced by the freedoms of speech, religious affiliation, and assembly. Czarist absolutism and agrarian practices gave way to human dignity and modernization as political, social, and economic reforms were instituted. For the first time in centuries, Lithuanian culture was free to flourish.

This democratic renaissance was cut short by the illegal Soviet invasion and occupation in 1940 of Lithuania and her sister countries, Latvia and Estonia. To this day, opposition to the forced annexation results in imprisonment, deportations, and executions. Yet, those who seek to make their homeland more humane, democratic, and autonomous have not given up hope. Such torture and denial of human rights has kindled, rather than abated the desire of Lithuanians for self-determination.

The United States has never recognized the Soviet incorporation of the Baltic States. Today, and until Lithuania is freed from the Soviet grip, we must again denounce this breach of international accords, as well as Soviet violations of human rights. For those who are imprisoned behind the Soviet wall of domination and oppression, let us in the free world reaffirm our solidarity with their fight for national sovereignty. For those whose anguished cries have been muffled by censorship and persecution, let us voice our convictions for the rights to liberty and justice. We are all bound by the Soviet chains of oppression when any of us continues to suffer at the hands of the Soviets. Only when we have alleviated all suffering will humanitarian and democratic ideals become reality for all humanity.●

FREEDOM OF THE PRESS DAY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. LANTOS. Mr. Speaker, with my distinguished colleague from Michigan, [Mr. VANDER JAGT] and with 77 other Members of this House, I introduced today a House joint resolution, designating August 4, 1985, as Press Freedom Day in the United States.

August 4, 1985, marks the 250th anniversary of the landmark decision in the case of John Peter Zenger of colonial New York. The publisher of a weekly journal, Zenger was charged with libel by the Governor of New York for articles exposing corruption in the colonial government. In a stirring courtroom defense of Zenger, attorney Andrew Hamilton argued for the right of any newspaper to print the truth for the common good of the people. The decision exonerating Zenger served as a watershed event in establishing the principle of freedom of the press in this land.

The commitment to public media working free of government censorship was clearly evident in the drafting of our Nation's Bill of Rights. The influence of Thomas Jefferson, George Mason, and James Madison encouraged members of the Constitutional Convention to view press freedom as "one of the great bulwarks of liberty." By embodying freedom of the press in the first amendment to the Constitution, our Nation demonstrated unprecedented trust in the ability of a well-informed public to be full participants in their own Government.

Our Nation's support for freedom of the press represents faith in the people. Through more than 200 years of journalistic history, our Nation's courts have defended the public's "right to know," and the impropriety of Government censorship in which national security issues were not at stake. In the landmark case of New York Times Co. versus United States, Supreme Court Justice Hugo Black stressed the inviolability of the first amendment guarantees:

"The Founding Fathers gave the free press the protection it must have to fulfill its essential role in our democracy. The press was to serve the governed, not the governors."

And so it has. And through such service our Nation is arguably the best informed society in history.

There have been times when the commitment to freedom of the press was not easy to maintain. There have been attempts to control the media, limit its inquisitive nature, or discourage its publication efforts. But despite the episodic setbacks, press freedom remains as vital today as when the first amendment was ratified in 1791. That vitality serves as an inspiration for millions of men and women throughout the world whose understanding of events is limited by the State controlled media in their homelands.

As a fundamental liberty designed to ensure participation by an informed people in their government, it is important for this Nation not only to express its appreciation of press free-

dom, but to rededicate itself to the highest principles of an unfettered flow of information.

By establishing a Press Freedom Day, we can reiterate our commitment to one of the principle liberties that has guided this Nation on an epic journey from the printshop of John Peter Zenger to the era of satellite communications. "Press freedom is not safety," wrote journalist Zechariah Chafee, Jr. in 1948, "but an opportunity."

I encourage my colleagues in House to join me and my distinguished colleagues in supporting this important resolution to remind our Nation of the great opportunity provided Americans through freedom of the press. May our commemoration of this event lead us as a nation to rededicate ourselves to the preservation of this great principle.●

LITHUANIAN INDEPENDENCE DAY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1985

● Mr. LAGOMARSINO. Mr. Speaker, today we applaud and commemorate Lithuanian Independence Day. Sixty-seven years ago, Lithuanians concerned with human rights in their beloved, yet occupied and enslaved, nation declared their independence.

Americans can and must speak out and sound their support for the freedom and independence of the Lithuanian people. Despite subjugation by their Soviet mentors, the Lithuanian people continue to struggle to be free and independent. Their worthy goal of self-determination has its roots in the American struggle for independence, and freedom from tyranny.

The Helsinki accords were signed by the United States and the Soviet Union in an effort to increase political freedoms of those living on both sides of the Iron Curtain. Yet, the Soviets have brutally exploited and violated that set of agreements, crushing all voices of opposition and attempting to extinguish any hopes for freedom and independence.

The heroic Lithuanian people have not caved in under this pressure, however, Mr. Speaker. They continue to speak out, in the face of brutal Soviet oppression, for reforms to redress the serious human rights conditions within their native land. All Americans, and freedom-loving people everywhere, raise their voices in unison in support of the Lithuanian people in their struggle to be free from foreign domination. Their struggle is our struggle.

Thanks should be given also to the Lithuanian American Council, who continue to inform the Congress and the American public as to the true conditions inside Lithuania.

Again, Mr. Speaker, I commend my colleagues for their participation in this special order, recognizing and commemorating Lithuanian Independence Day.●

U.S. GRAIN STANDARDS NEED TIGHTENING TO COMPETE WITH FOREIGN PRODUCERS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. DORGAN of North Dakota. Mr. Speaker, recent newspaper headlines—"Asians Express Concern Over U.S. Wheat Quality," and, "U.S. Grain Quality Slipping," for example—point to what I believe is a serious weakness in our grain marketing system. That is why I'm introducing legislation today which addresses this problem.

One of the complaints which foreign buyers of U.S. grain voice is excessively high dockage, or dust. U.S. grain standards currently allow export elevators to add, or readd after cleaning, a certain percentage of nonmillable material such as dust. As our foreign buyers have become more sophisticated and their needs more specialized, this practice poses an increasing threat to U.S. grain exports.

A THREAT TO FARM MARKETS

Just how this practice threatens our overseas markets was made clear last month at the annual National Association of Wheatgrowers convention, at which several foreign buyers of U.S. wheat criticized its quality. For example, a representative of South Korean flour mills, which currently import nearly all their wheat from the United States, warned that the South Korean market should not be taken for granted. Flour millers there have been distressed by quality problems, including a high dockage content, he said.

Representatives of Japanese and Indonesian flour mills made similar charges. Besides the wheatgrowers convention, complaints have been heard through other channels as well.

Current U.S. grain standards do not address this problem. Our standards now allow exporters to add dust up to a certain percentage right at the export elevator.

My bill simply prohibits the addition of dust or other foreign material at the export elevator.

One of the reasons the dockage problem is so serious is that in an increasingly tight foreign market, our competitors have stricter and simpler grain standards than we do. For example, no other country even uses the term dockage in describing grain quality. Canada, one of our biggest competitors, uses a simpler standard, and exports cleaner grain than the United States. That is one main reason why Canada has captured some of our former grain markets.

GAO STUDY SOUGHT

This is a complex issue, just now receiving increasing attention. To add to our understanding of how U.S. dockage allowance and grain standards in general may be affecting our ability to market our grain overseas, I have asked the General Accounting Office to undertake a two-pronged study. GAO will first determine how widespread is the practice of adding or readding dust or other foreign material at the export elevator. Over the longer range, the study will address the larger question of to what extent U.S. grain standards are making the United States less competitive in international markets.

The issue is of particular importance now, when we need to do everything in our power to increase sales for our distressed family farmers. Foreign sales are critical to the health of agriculture since over half of the wheat, rice, soybeans, and sunflower seeds raised in this country are sold overseas. Although agriculture is our biggest earner of export dollars, their value is expected to decline to $36.5 billion in fiscal 1985, down from $43.75 billion in 1981.

I believe that strict grain export rules can help reverse that slide.●

LULAC HONORS VOLUNTEERS

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, this Saturday marks the Fifth Recognition Luncheon of the New Haven, CT, Council of the League of United Latin American Citizens [LULAC]. The ceremony will honor over 20 Connecticut residents who have been supportive of the goals of the organization, primarily improving Hispanics' access to higher education.

The league was founded in 1929, and today is the largest Hispanic volunteer organization in the United States, with over 700 councils in 45 States and more than 125,000 members.

The LULAC Council No. 700 was established in New Haven, CT, in 1976 and is the only LULAC council in the State. The council initially focused on awarding scholarships to Hispanic students pursuing post secondary education, but since 1980 has expanded its activities to include the sponsorship of community activities and workshops, a nonpartisan voter registration drive and cosponsorship of a 1981 tristate forum on the use of force by police.

The council's primary concern, however, has been and continues to be education. To carry out this goal, the council conducts an annual local scholarship campaign where funds raised locally are matched dollar for dollar by the LULAC National Scholarship Fund. In 1984 the LULAC Council No. 700 awarded $4,200 to 12 area Hispanic students enrolled in institutions of higher education.

I know my colleagues join me in honoring this worthy organization. Council No. 700 and the hundreds of other councils of the League of United Latin American Citizens can be proud of their record of giving talented young people in hispanic communities across the country the opportunity to go to college.●

SPENDING PRIORITIES

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. COELHO. Mr. Speaker, as the House begins its deliberations on the President's fiscal year 1986 budget proposal, we are confronted with many challenges, and the need to reestablish our spending priorities for the Federal Government. Many of the suggested cuts and program eliminations advanced by the administration would have serious ramifications for state and local governments throughout the country, and I know I am not alone in voicing my concerns over the proposed cuts in housing, transportation, and urban development.

I would like to share with my colleagues a recent editorial from the Christian Science Monitor, which supports the belief of many of our citizens that the economic well-being of our Nation's cities is a cornerstone for a strong future. We must indeed reduce the Federal deficit, but expecting our Nation's cities and counties to bear the brunt of our efforts is unrealistic.

URBAN EMPHASIS

It has always been one of the great anomalies about the United States that a society that spends so much of its financial resources on housing—from soaring rents and sky-high mortgages to expensive outlays for furnishings, lawns, and other home-related projects—does not have a national policy aimed at preserving and bettering its cities.

Yet, a substantial portion of the nation's housing stock is located in or near most of the nation's largest cities. Moreover, whether dwellings are located within cities or not, the cities provide the trellis—the backdrop of commerce, jobs, offices, and cultural attractions—that links together the hundreds of thousands of neighborhoods and communities that make up the US.

Precisely for these reasons, the nation's political and economic leadership—as well as the public in general—needs to think creatively about its cities.

To a degree, innovative thinking has begun. Many cities, for example, now seek direct financial investment from abroad as one way to offset the loss of industries to suburbs. Still, far too many cities continue to face difficult economic challenges resulting from the flight of largely white middle-class and professional families to the suburbs. Left behind are great concentrations of the poor and minorities, and a dwindling tax base.

Increasingly, industries also exit to suburban areas. Sharp, cutbacks in federal funds to cities and states the past four years have added to the fiscal woes of some communities.

It is hardly surprising, therefore, that city officials meeting in Washington recently for the midwinter conference of the United States Conference of Mayors were lamenting another anticipated round of cutbacks in federal aid to states and cities. The mayors argue that further reduction in federal financial assistance to states and local communities, as part of a federal budget freeze for fiscal year 1986, could squeeze the cities severely.

Moreover, many city officials wonder whether the Reagan administration is basically hostile to cities; they note, for example, administration proposals to curb the tax-exempt status of municipal revenue bonds, to end local revenue sharing, and to restrict federal tax deductions for state and local income taxes.

The states generally are now posting record budget surpluses. In a number of states, such as New York, California, Minnesota, Michigan, Wisconsin, Ohio, and Massachusetts, governors are proposing or considering cuts in state income tax rates because of momentary state fiscal surpluses. Similar surpluses are being posted in many cities, where the economy's improvement over the past year has stepped up tax receipts.

Caution is in order when reviewing the moment's black ink in state and local ledgers. Congress and the White House are contemplating reductions in federal aid for city-related programs. Most states and cities have balanced-budget requirements. Unlike the federal government, these units are not allowed to operate in red ink.

Moreover, many of the surpluses being recorded by local jurisdictions may prove short lived: Constituents are calling for the restoration or expansion of service eliminated or cut during the severe economic downturn of 1981-82. Local roadways, transportation facilities, and other vital services are in need of modernization. Anyone who has taken New York's subway system during the past year can immediately recognize the pent-up demand for spending of services.

Granted, many cities should be able to call for additional financial help from states during the next year or so, thanks to the improved state income flow on top of a lower state spending base.

But that should not be taken by Washington as an excuse to gut aid programs directed at cities and local communities. Throughout history, a hallmark of great nations has been public support directed at preserving cities. Most of the great cities of Europe today, with landmarks that in some cases date back centuries, reflect such a far-seeing national emphasis.

Washington should remember the wisdom of urban investment as it goes about the sensitive task of cutting the federal budget to reduce deficits. Housing neglect is but one indicator of trends that should be reversed. America's cities warrant preservation and modernization.●

LITHUANIAN INDEPENDENCE

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1985

● Mr. NOWAK. Mr. Speaker, there is a special kind of nostalgia for one's homeland that can only be understood by those who have had to leave the place of their birth for reasons of principle. On February 16, Lithuanian-Americans commemorated the 67th anniversary of Lithuanian Independence Day. It was an independence that lasted a short 22 years, from 1918 to 1940, when Lithuania was absorbed into the Union of Soviet Socialist Republics.

Lithuanians all over the world celebrate this anniversary, except those in the Soviet sphere where such an observance is not allowed, and for a special reason. It cannot be allowed for it keeps alive a hope, a hope that one day all those living under a repressive and oppressive regime will have their rights as individuals assured and their free and independent homeland restored.

Historically, America has symbolized that very hope. Therefore, we join the Lithuanians who mark the day of independence by celebrating the ideals it represents and extend our support to those who must suffer in silence so that they may have hope for the future and keep alive the inspiration to nurture the values of democracy and human rights for the time when they will regain these goals.●

INTRODUCTION OF H.R. 1188, THE HIGH TECHNOLOGY RESEARCH AND SCIENTIFIC EDUCATION ACT OF 1985

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. MATSUI. Mr. Speaker, originally adopted in the Economic Recovery Tax Act of 1981, the research and development tax credit provisions of the Internal Revenue Code section 30 provide for a credit against the Federal income tax of 25 percent of a taxpayer's expenditures on specified categories of research and development in excess of the average of the amount spent on R&D in the preceding 3 years. It should be noted that the benefit applies only to enterprises when and to the extent that their R&D spending increases over immediately previous levels.

The Senate version of the Deficit Reduction Act of 1984 extended and strengthened the R&D credit. Unfortunately, the provision was not adopt-

ed by the conference committee, however, because the Ways and Means Committee had not held hearings on the issue and action could be postponed until 1985, since expiration of the existing provisions would not occur until the end of that year. The Senate bill would have made four changes in the existing credit, all of which would have made for a more cost-effective approach.

The first change would have made the credit permanent. This step is necessary to make the credit a genuinely stable incentive for corporate decisionmakers considering R&D proposals. As the National Science Foundation has observed: "R&D is exceptionally risky for any individual company. Much R&D pays off only after 5, 10 years or more when current management may be long departed."

The second change would have tightened and targeted the definition of research and development expenditures qualified to generate a tax credit. As reflected in the Senate Finance Committee report, this was intended to treat only "research and experimental activities designed to produce a technologically new or improved business component where the new or improved characteristics are functional rather than stylistic or cosmetic."

A third change was a modification to permit startup companies to gain the credit from R&D directed at a trade or business they intend to carry on in the future.

The fourth change related to R&D grants to universities and this was modified to provide for a larger incentive for corporations to fund basic research in university laboratories as opposed to conducting it on their own.

The importance of maintaining U.S. industry's technological leadership is undisputed. As Congress' Office of Technology Assessment recently observed: "Staying highly competitive in electronics and other technologically driven industries, with U.S. firms remaining leaders in innovation, in international trade, and in sales and profits is necessary if the United States is to maintain its standard of living, its military security, and if the U.S. economy is to provide well-paying and satisfying jobs for the Nation's labor force."

R&D is the key to keeping our technological lead and staying competitive. The Congressional Budget Office reported in its April 1984 study, Federal support for R&D and innovation, that "A strong R&D effort is characteristic of American industries that are effective international competitors, while industries with severe competitive problems invest significantly less in R&D."

Promoting R&D encourages the high technology sector, in which employment grew 50 percent faster during the 1970's than in the economy as a whole, and which accounted for 44 percent of total U.S. manufacturing exports by 1980.

In addition, the output of the high technology sector furnishes other, more traditional industries with the means to sustain or regain their own international competitiveness.

The ultimate effects of R&D are impossible to measure. But, as William J. Baroody, Jr., president of the American Enterprise Institute, observed in introducing a recent AEI symposium, "Many economists believe that a clear causal relationship links basic research, industrial innovation, productivity improvement, and economic growth. They point to that slowdown in spending on research and development * * * as a cause of the productivity slump of the 1970's * * *. Another slowdown in the performance of research and development could have serious implications for economic growth and employment through the end of this century."

According to a report prepared for the Cabinet Council on Commerce and Trade, the United States has lost world export market share in 8 out of the 10 high technology industries over the past 15 years. In the semiconductor industry, Japan has rapidly increased its share not only of world markets—from 33 percent to 38 percent in the last year—but of the U.S. market in particular—from 23 percent to 30 percent in the last year.

The drive of foreign nationals to overtake the United States is managed everywhere by systematic programs of incentives, subsidies, trade barriers, and other forms of governmental support. Japan, for example, currently has in place an R&D credit similar to the United States—for which strengthening revisions are being considered—as well as large deductions and reserve allowances specifically for high technology developers and exporters. Taiwan, West Germany, France, the United Kingdom, and Canada all similarly provide R&D credits and various additional incentives.

The seriousness of this challenge cannot be ignored. As Data Resources, Inc. observed in a major 1984 report on U.S. Manufacturing Industries directed by the late Otto Eckstein, "In high technology fields where one firm or one nation typically dominates world markets, it is very difficult to recapture market position if it is ever lost. Indeed, it is hard to find an example of a lead that was regained * * *. Once the lead is lost, profitability diminishes, resources shrink, and management is pressed into shortsighted, defensive, cost-cutting moves that soon produce a further loss of market share. A nation that casually surrenders leading industrial positions through policies of neglect will find it difficult to stage a comeback, particularly if the period of noncompetitiveness stretches on for more than a few years."

The United States must keep its position at cutting edge of industrial innovation. To do that, in the face of the formidable challenges from our competitors in Western Europe and especially the Far East, some measure of Federal support is necessary, in view of the aggressive governmental programs of other nations and in light of the demonstrated gap between private sector R&D and socially optimal levels. A tax incentive approach is clearly preferable to a large affirmative grant program.

What is needed now is to build on the initial experience of the past 3 years, to make the R&D credit more targeted and more productive. In 1984, the Senate made appropriate changes in the current R&D credit provisions—by limiting its application to functional and technologically oriented research and development, by creating a comparatively more generous credit for corporate basic research contracted out to universities, by making the credit available to start-up companies without an existing trade or business, and, most important, by making the credit permanent.

SUMMARY

The R&D credit is made permanent.

The definition of qualified research for R&D credit purposes is tightened to eliminate taxpayer abuses of the R&D credit and to ensure that the credit is targeted to fulfill its original purpose of encouraging technological innovation.

The R&D credit is made available to start-up corporations, to research joint ventures composed of corporations, and to other qualifying joint ventures of partners with existing businesses to which the research relates.

The bill creates a new credit equal to 20 percent of that portion of a corporation's payments to universities and other qualified nonprofit, tax-exempt organizations for basic research which exceeds a fixed, historical maintenance-of-effort floor. This maintenance-of-effort floor is equal to 1 percent of the corporation's average annual R&D budget—including university basic research payments—over 1981-83. A second threshold requirement also is used to prevent corporations from merely diverting their generalized charitable university giving to creditable support of university basic research.

The bill expands the present enhanced deduction to corporate contributors of scientific and technical equipment and apparatus given to colleges, universities, junior colleges, and postsecondary vocational schoods for use in research or research training by means of the following: Eligible uses of the property are expanded to in-

clude direct education in the sciences as well as research and research training; donations of computer software are made eligible for the deduction; and donations of state-of-the-art equipment used in the taxpayer's trade or business are made eligible for the deduction.

The bill also clarifies that scholarships, grants, and student loan forgiveness received by graduate students will be excluded from such student's gross income, even though he or she is required to perform future teaching services for any of a broad class of institutions of higher education as a condition of receiving such scholarship, grant, or loan forgiveness.●

SOVIET ANTI-SEMITISM GROWS UGLIER

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. LANTOS. Mr. Speaker, I rise today to protest the growing campaign of anti-Semitism in the Soviet Union. While Jews are finding it increasingly difficult to emigrate, they are facing growing persecution in their jobs, in school, and in their neighborhoods as they are being branded by the official Soviet media as traitors.

These problems were highlighted to me recently when I received information about a family I adopted last year, Yakov and Olga Galperin of Leningrad. They have applied several times to emigrate to Israel, and each time were refused. After these unsuccessful attempts, their cousin, who lives in my district, completed the extensive visov forms—the official invitation required in cases of reunification of families. In December 1984, Yakov went to the official emigration office in Leningrad with his visov to get the forms necessary for him to apply for emigration. The emigration official denied him these forms, telling him that "the issue of reunification of families is off the agenda."

I consider it especially provocative at this time, considering that we are preparing now for a review conference in Ottawa of the human rights provisions of the Helsinki Final Act. Reunification of families is a right specifically guaranteed by the signators of the Final Act, which includes the Soviet Union. Refusing prospective emigration applicants the necessary and required forms is in direct violation of the spirit of the treaty.

I would like to call to the attention of my colleagues an article which appeared in Febraury 18, 1985 issue of the New Republic, "The Jews Left Behind." I find it particularly important in that it focuses attention on the extraordinarily virulent anti-Semitism in Leningrad. We, in Congress, must continue to speak out for all Soviet Jews, such as Yakov Galperin and his family, and raise our voices against all forms that anti-Semitism takes.

The article follows:

THE JEWS LEFT BEHIND

"We call on you, who spend your efforts on the paperwork of endless conferences, runs, and picnics in defense of Soviet Jewry," says a recent letter signed by 38 Soviet Jews and addressed to the Jews of the West, "you who are still full of illusions and see solidarity in philanthropy expressed in gifts of blue jeans, to show your solidarity by your deeds. . . . The time has come to sound the alarm." The tone is desperate, and a touch ungrateful. But the letter expresses the two most important facts about Soviet Jews today. First, their situation is growing steadily worse. Official anti-Semitism has increased to the point where Soviet newspapers and television regularly malign Jews in terms reminiscent of the worst of the Czarist persecutions. Jewish activists in particular face increasingly violent harassment. Opportunities for Jews to advance in Soviet society have been radically circumscribed, and Jewish emigration no longer exists. And second, the traditional response of the American Jewish community and the U.S. government—to press the Soviet government on the emigration issue—is no longer enough.

It is understandable that the American support groups for Soviet Jewry have made emigration the single most important issue on their agenda. The figures are stark. Although approximately 10 percent of the Soviet Union's Jewish population—nearly 260,000 people—left the country between 1968 and 1981, with a high point of 51,320 in 1979, only 896 managed to get out last year. There are over 380,000 others who have indicated their desire to leave by initiating the complicated process of applying for a visa. Moreover, as soon as a Jew in the Soviet Union attempts to speak out on behalf of other Jews, he becomes a pariah, losing his job and inviting police harassment. Emigration then becomes his major concern, and, as Mark Epstein, executive director of the Washington-based Union of Councils for Soviet Jewry, explains: "We try to take our lead and direction from Soviet Jews. . . . [W]e try to act upon the wishes they express." The State Department, in turn, frequently takes its led from groups like Epstein's. Thus Soviet Jews become valuable commodities in Soviet-American relations, to be exchanged for trade credits and killer satellites. Right now, for instance, the release of 5,000 Jews—or of Anatoly Scharansky—would be seen as a major Soviet concession.

Yet in a nation where nobody has the right to leave, a bar on emigration does not represent a special affront to the Jews. It is particularly cruel only to those men and women driven by Zionist sentiment to live in Israel, for whom confinement within the borders of the USSR represents a special punishment. But nearly two-thirds of the Jews who left between 1968 and 1981 chose to come to the United States, just as many other Soviet citizens would if they had the chance. When it comes to emigration, Soviet Jews are only marginally worse off than other Soviet citizens.

Far more threatening to the majority of Soviet Jews than the cutoff of emigration is the growth of officially sponsored anti-Semitism over the past two years. As sporadic reports such as the letter from the 38 Soviet Jews have reported, the harassment of Jewish activists has become more brutal, and frequently coincides with attacks on Jews in general. Last September, for instance, a Hebrew teacher from Moscow named Yuli Edelstein was set up by the police, accused of possession of narcotics, and sentenced to a three-year prison term. One of the police agents involved in the case was quoted as saying, "It is a well-known fact that Jews use narcotics in their religious rituals." Another Hebrew teacher had a gun planted in his apartment; another still was attacked by a stranger on a street corner and then arrested for provoking a fight.

Since August, more than ten Hebrew teachers and Jewish cultural activists have been arrested, but the significance of the crackdown goes beyond the numbers. Because synagogues in the Soviet Union are forbidden to hold classes or to foster cultural activity, and Hebrew is "officially" taught only to Russian Orthodox priests and government "Jewish experts," the arrests represent an attack on the very notion of Jewish identity. In the past, Jewish religious activists had fared comparatively well. For example, while many Christians have been placed in Soviet mental hospitals for practicing their religion, only one Jew that we know of has suffered this uniquely Soviet horror. Jewish groups in the United States have proven adept at publicizing the worst cases of repression. But it now seems that the shield of publicity no longer works. As Morris B. Abram and Herbert Kronish of the National Conference on Soviet Jewry wrote last month on the Op-Ed page of The New York Times, the Soviet government is engaged in "a systematic campaign to disrupt all Jewish religious and cultural activities." The campaign threatens "the very survival of Judaism in the Soviet Union."

The Soviet government now openly disregards the formal distinction it once insisted upon between "anti-Semitism" and "anti-Zionism." The result is anti-Jewish propaganda as poisonous as that put out by Libya or Iraq, or, for that matter, by Hitler. The official youth newspaper Komsomolskaya Pravda, for example, declared in March 1983 that the meaning of Zionism is "to turn every Jew, no matter where he lives, into an agent of the Jewish oligarchy, into a traitor to the country where he was born." A few weeks later, the Leningrad party daily Leninskaya Pravda described Israel as a "money-grubbers' paradise" and concluded: "Let us be frank. The appeal to Hebrew . . . is far from cultural, but is strictly political. . . . How does Zionism extend its tentacles? . . . First of all, with the aid of religion, and Hebrew."

What accounts for this new anti-Semitism? Soviet experts agree that it derives at least in part from the general crackdown on dissent that has followed the death of Leonid Brezhnev in 1982. But there are also indications that it represents a resurgence of straightforward ancient Russian xenophobia. Professor Stephen Cohen of Princeton argues that more and more Soviet officials "see the state's job being to protect Russian values from the West." They deplore "alien" influences, including Jewish ones, and exalt Russian traditions, including anti-Semitism. One example of this phenomenon can be found, ironically, in Leningrad, the city built by Peter the Great in the early 18th century as a window on the West and a symbol of the end of Russian isolation.

The current leader of the Communist Party in Leningrad, Grigory Romanov, is a brutish thug and known anti-Semite whose feelings about Jews resemble those of his namesakes Nicholas I and Alexander III. Under Romanov's rule, Leningrad has served as a focal point for Soviet anti-Semitism, from the infamous 1970 "Leningrad trials" of Jews who had sought visas to emigrate, to a crude television documentary broadcast in November 1984 which hinted broadly at the existence of a worldwide Jewish conspiracy and accused specific Jewish dissidents of treason. In June 1981 the Leningrad authorities incited a crowd to harass a gathering of Jewish activists with cries of "Jews, beat it out of our country!"—which is of course exactly what many of them would like to do. And in 1983, a Leningrad magazine called Neva even claimed, according to British historian Martin Gilbert in The Jews of Hope, "that stories of persecution of the Jews under the Tsars were nothing but 'Zionist propaganda.'"

There is agonizingly little that Americans can do about Soviet anti-Semitism. If Soviet-U.S. relations improve, the USSR may be again careful not to upset American sensibilities. But a Soviet "concession" on the issue is likely to mean that a few thousand Jews will escape, while two-and-a-half million more suffer continued discrimination and harassment. Russian anti-Semitism will endure, as it has for centuries. Now, as the United States begins to talk with the Soviets again, and as American groups continue their long vigil on behalf of Soviet Jewry, this point must be recognized. The right to emigrate is important. But the right to be a Jew is essential.

DAVID A. BELL.●

NO STONE UNTURNED

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. FISH. Mr. Speaker, we are all concerned with the swift prosecution of Nazi war criminals living in the United States. As a member of the House Judiciary Committee who helped initiate the Office of Special Investigations in the Department of Justice, I have long been concerned that OSI be able to utilize all resources throughout the world in providing evidence against these criminals against humanity.

Over the past several years, there has been concern over the use of evidence obtained behind the Iron Curtain. Several ethnic organizations have questioned the use of such evidence in U.S. courts. My position has been, and it has been supported by OSI and the courts, that such evidence must be reviewed on its face and judged for competence and credibility along with other evidence submitted in Nazi war criminal cases. We have little choice in some instances whether to use such evidence, as it may be the most relevant in certain cases.

I was pleased to receive a copy of a letter to OSI dated January 9, 1985, from the Polish American Congress supporting the use of evidence obtained from the Soviet Union and Eastern bloc countries. I would like to share this correspondence with my colleagues.

POLISH AMERICAN CONGRESS, INC.,
Chicago, IL, January 9, 1985.

DIRECTOR OF OFFICE OF SPECIAL INVESTIGATIONS,
Department of Justice,
Washington, DC.

DEAR SIR: As leaders of the Polish-American community, we strongly support the efforts of the Justice Department's Office of Special Investigations (OSI) to identify, strip of American citizenship, and deport those alleged Nazi war criminals now residing illegally in the United States. The efforts of OSI are in accord with the belief we share, that America exists as a haven for the victims of persecution and not the perpetrators of it.

The Polish-American community proudly claims among its members many survivors of wartime persecution who bravely defied the Nazi occupation of their native land and so suffered deprivation, internment, and physical abuse at the hands of the Nazi regime and its collaborators in Eastern Europe. Our community's special understanding of the nature and extent of Nazi-directed persecution leads us to appreciate with special fervor OSI's ongoing attempt to bring to justice those who participated in that persecution but who now unlawfully enjoy the blessings of living in the United States.

As Polish-Americans, we understand all too well the problems of living in Eastern Europe today, and the differences between our own great country, the United States, and the Soviet Union. However, we do not believe that current East-West tensions should interfere with OSI's effort to obtain evidence of wartime Nazi persecution from archives and witnesses in Eastern Europe, including the Soviet Union. Like OSI, we believe that such evidence should be subjected to review for competence and credibility by American courts under American law.

We do not believe that OSI should be barred from offering such evidence for judicial consideration in the United States. Much of the persecution practiced by the Nazi regime occurred in Eastern Europe, and it behooves OSI to seek out the evidence of that persecution at its source.

To prevent the use of evidence obtained in Eastern Europe from even being considered in American cases would be to ignore and indeed to "hush-up" the persecution of Poles and other groups who bravely opposed Nazi tyranny in countries now behind the Iron Curtain. Accordingly, we support OSI in its world-wide effort to uncover evidence of Nazi persecution for use in cases brought here at home against accused Nazi persecutors.

Yours very truly,

ALOYSIUS A. MAZEWSKI,
President.●

SPECIAL OLYMPICS

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. KOLTER. Mr. Speaker, I would like to take this occasion to praise a program which lends a special dignity and honor to mentally retarded people around the world. Special Olympics is an athletic competition that brings a New Kind of Joy to millions of special people. This program thrives in 50 countries and enjoys the participation of 400,000 volunteers and over 1 million athletes worldwide. With 16 Olympic-type summer and winter sports, there is year-round Special Olympic competition in each State and country, and International Winter and Summer Games are held every 4 years.

Special Olympics was created in 1968 by the Joseph P. Kennedy, Jr. Foundation. This valuable program contributes to the physical, psychological, social development and well-being of mentally retarded participants. The experience that these children and adults gain in sports helps them to build confidence and feel positive about themselves. Success on the playing field often carries over into their work, their education, and their home life.

There are Special Olympics programs in approximately 20,000 communities—almost every county—in the United States. One of these programs recently hosted the Western Pennsylvania Bowling Tournament. On January 12, 1985, Butler County Special Olympics welcomed over 200 special athletes to Butler, PA. With such meets and games held on the local level in communities all over the world, attendance at events such as the one in Butler County exceeds 10,000 annually.

A primary feature of Special Olympics is that no one is too old or too handicapped to compete. Athletes are assigned to competition levels based upon age and performance. This allows even those at the lowest level to advance to the International Games. With so much to look forward to, the participants at the Western Pennsylvania Bowling Tournament gave everything they had not only to excel in the Games, but to believe in themselves. Butler County Special Olympics gave these special athletes what they so richly deserve—a chance to succeed.

Special Olympics honors the spirit of the Greek Olympics—competing and winning are secondary to experiencing and participating. This ideal is best summed up in the motto of the Special Olympic athletes: "Let me win, but if I cannot win, let me be brave in the attempt."●

ESTONIA

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, I am proud to join with Estonians around the world in commemorating on February 24, 1985, the 67th anniversary of the independence of Estonia. I would especially like to salute the Connecticut Estonian Society, and its president, Mrs. Vaike Lugus, for their work in advancing the cause and spirit of Estonian independence among the people of Connecticut.

The Estonian people have always held the principals of liberty and justice in the greatest esteem, and adopted at the time of independence a constitution which firmly embraced democratic principals and protected the rights of all citizens. Sadly, the restoration of Estonian sovereignty after centuries of foreign domination lasted little more than two decades. The freedom of Estonia was brutally crushed in 1940 by the Soviet Union, in collusion with Nazi Germany.

Since declaring Estonia a republic of the Soviet Union, the Soviets have waged a ruthless campaign to suppress the vibrant national identity, culture, and language of the Estonian people. The United States has never recognized the illegal annexation of Estonia, Lithuania, and Latvia by the Soviet Union, and continues to maintain diplomatic relations with representatives of the independent republic of Estonia and with her neighbors.

Against all adversity, Estonians continue to place the highest value on human rights and freedom. The hope that Estonia may again shine as a free and independent nation burns strong in the hearts of all Estonians throughout the world. I join with Connecticut Estonian Society and Estonians everywhere in that hope and in the celebration of Estonian Independence Day.●

CONSTITUENTS STRONGLY ENDORSE COAST GUARD OPERATIONS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. BONIOR of Michigan. Mr. Speaker, I rise to share with our colleagues the concern of my constituents regarding the administration's proposal to close Great Lakes Coast Guard stations.

The proposal put forth by the administration will close or consolidate 13 Coast Guard facilities in its Ninth District, the Great Lakes region. Two of these sites are within my congressional district.

Citizens of the region are outraged because many of the closings affect some of the most popular recreational boating waters in the country. The two stations in my district responded to over 500 emergencies last year alone. The Coast Guard uses a rigourous definition to determine whether or not a life has been saved, but even by Coast Guard standards, these stations saved 32 lives last year.

While we need to be fiscally responsible with our tax dollars, we cannot balance the budget with people's lives and safety. These proposed consolidations and closings are, unfortunately, a classic example of being penny-wise yet pound-foolish.

Recently I had the opportunity to attend a meeting of the City Council of St. Clair Shores, MI. The people of that city almost literally live on the water. To them, relying on the Coast Guard is a fact of life when seas are high, boats are stranded, and people's lives are threatened. I would like to share with my colleagues the council's thoughts, as outlined in the resolution unanimously approved at their recent meeting:

COAST GUARD STATION RESOLUTION

Whereas the U.S. Coast Guard Station in St. Clair Shores has provided safety services and boater education to thousands of St. Clair Shores boating enthusiasts, and

Whereas the imminent closing of the St. Clair Shores station has been announced, and

Whereas boat owners, marina operators, citizens and the City Government are concerned regarding boater safety in this area of Lake St. Clair, and

Whereas the next twelve months are of special concern because of forecasts of lake levels approaching 1978 high points,

Now therefore be it resolved by the City Council of the City of St. Clair Shores, that

We urge our citizens to express concern regarding the imminent closing of the Coast Guard Station, and

Be it further resolved, that the City Council express the continued need for the U.S. Coast Guard Station and its support and boater safety services by urging the U.S. Senators and Representatives as well as Michigan official to strongly request the continuation of the Coast Guard Station in St. Clair Shores.

Mayor: Ted B. Wahby.

Councilmen: Arthur M. Armstrong, Willian J. Callahan, Casper J. Frederick, Robert A. Hison, Joseph R. Krutell, Marcel A. Werbrouck.●

THE CIVIL RIGHTS RESTORATION ACT OF 1985

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. DORGAN of North Dakota. Mr. Speaker, I am pleased to join a number of my colleagues today in cosponsoring the Civil Rights Restoration Act of 1985.

As the title implies, this bill seeks to restore original congressional intent of four important civil rights statutes: Title IX of the Education Amendments of 1972, title VI of the 1964 Civil Rights Act, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. This action is necessitated by last year's Supreme Court ruling, Grove City versus Bell, in which the high court narrowly interpreted title IX, thereby establishing a precedent for equally restrictive interpretations of similarly worded rights bills. To quell doubts that were raised in last session's civil rights debate, the language of H.R. 700 is particularly clear as to the scope of the legislation and the enforcement provisions contained therein.

I know that I was one of many who watched with disappointment during the final days of the 98th Congress as the Civil Rights Act of 1984 became the victim of partisan politics. I would hope that this year's deliberations would put politics aside and focus on the ultimate goal of this legislation: the prohibition of discrimination, on the basis of sex, race, color, national origin, age, or handicap. Surely, this is something we can all work toward.●

WHERE WE'RE HEADED IN SCIENCE EDUCATION

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. SKEEN. Mr. Speaker, more than anything else, our Nation's future depends upon our understanding of science. We must count upon our system of education to provide that understanding. In an address entitled "Where We're Headed in Science Education," Dr. Manuel J. Justiz, Director of the National Institute of Education, explained the situation very well. His remarks have a message for everyone.

WHERE WE'RE HEADED IN SCIENCE EDUCATION

America is a great country. A people of diverse backgrounds, nationalities, and cultures . . . blended into a single nation. We have extensive natural resources, abundant power, a highly productive agriculture system . . . that has become a breadbasket of the world. We have extensive manufacturing that has fueled the economy; a history of freedom . . . that allows us to enjoy ourselves . . . and speak out on issues; we have a tradition of democracy that began in the earliest days of the country and persists today. The will of the people is supreme.

It hasn't always been that easy. We have defended our rights in the past and we must be prepared to defend those rights in the future. In spite of the difficulties, we have built the greatest country in the world.

But we are having problems. America is being threatened by an underground epidemic of inferiority in our education system. Nothing less than our standard of living,

the strength of our economic system and our national security are at stake.

The following material, compiled with the help of one of my advisors at the National Institute of Education—Dr. Lawrence Grayson, summarizes just how serious the problem really is. I might add that unlike other reports which talk simply about the condition of math and science education, what I am about to share with you relates those problems directly to the economic consequences that we are facing as a nation.

AN OVERVIEW OF WHAT'S HAPPENING

Let's take a look at what's happening. This chart shows the free world car and truck production rankings from 1950 to 1982. You can see that in 1950, there wasn't a single Japanese company among the top 15 automobile producers in the free world. In 1960, there was one. In 1970, there were four. Today, six of the top 15 automobile companies in the world are Japanese.

If you look at the United States, you can see that the trend went in just the opposite direction. In 1950, there were seven American companies on that list. Today, there are only four—only four American companies among the top 15 auto producers in the world.

The marketplace is changing and clearly education plays a key role in what's happening in the world at the present time. Education is the keystone to industrial competitiveness and that's one of a number of reasons why I'm very much concerned about what's happening in this country at the present time.

Currently, the U.S. has more low-skill and less high-skill manpower than it really needs for its future—especially as we look forward to a high-technology future. Jobs are changing. Our economy is changing. We're getting into computers, telecommunications, biogenetics, into advanced information processing—all requiring different types of skills.

Let me show you what's taking place at the Ford Motor Co. At the present time, Ford has some 2,000 robots in their plants. The corporation expects that by the end of this decade, which isn't too many years away, it will have something like 7,000 robots. Those robots mean changes in jobs . . . changes in job skills . . . replacement of certain traditional jobs . . . creation of new types of jobs.

We've got to be ready to handle it. Clearly, everyone needs reasonably good familiarity with math and science—not just college-bound students.

Dental hygenists, aircraft mechanics and instrument repair technicians must all be familiar with the basic concepts of chemistry, physics and biology—just to do the jobs that they're going to be confronted with. Accounting clerks, supply personnel, auto mechanics—they have to at least learn how to estimate costs and keep accurate records.

People like nurses' aides, clock repairers, survey technicians all have to be familiar with lab equipment and with the procedures that are conducted in laboratories.

I'm convinced that one of the reasons that the Japanese have done as well as they have is because of the high degree of mathematics and science that's taught to all students in their elementary and secondary schools. For instance, every graduate of a Japanese high school must take the elements of probability and statistics. Now we don't expect them to become statisticians, but when they go on to a production line and get a job, perhaps as a blue collar worker, they have enough background to be able to describe a problem that may occur on the shop floor in analytical terms. Their counterparts on assembly lines in Detroit would be hard-pressed to communicate as well. Our American workers simply do not have the base in math and science that the Japanese have developed.

The problems are serious. Let me give you a few highlights. In Maryland in 1980, there were about 50,000 high school students who took math courses from some 400 teachers who were not certified in mathematics. In New Jersey last year, 51,000 college freshmen were tested to see if they could handle ninth-grade math problems. Keep in mind, these 51,000 are students who had already been accepted in college. Of that number, 88 percent were deemed not proficient in mathematics—ninth-grade mathematics.

However, New Jersey has been conducting that exam for about five years and that's the first improvement they've seen in that period of time.

Let me give you a slightly different dimension of the problem. In 1964, there was an international assessment of mathematics that was held around the world. That international assessment involved 14 countries. I want to only focus on five—the U.S., Japan, West Germany, France and Great Britian. You can see in that assessment, that Japan scored No. 1. The European countries scored two, three and four, and the U.S. was No. 5. Now, sure the data is 20 years old. However, remember the people who took these examinations 20 years ago are now in the mid-levels of management and industry, moving up to the top levels in those industries. They've in government, running the government. These are the people who are making the decisions in this country at the present time.

Let's look at another assessment in science conducted in 1970. It examined those same five countries—the U.S., Japan, West Germany, France and Great Britian. The results were virtually identical. Japan came out No. 1, the European countries in the middle, and the U.S. No. 5.

Let's take a little different tack and look at growth and manufacturing productivity since 1970. Same result. Japan No. 1. The European countries, two, three and four, and the U.S. No. 5. This obviously doesn't say that education is the only piece that drives economic manufacturing productivity. But clearly education is an essential component for the economic health of the nation. The Japanese have made major strides in industry because of a high level of math and science education.

U.S. STUDENTS ARE LEARNING LESS MATHEMATICS AND SCIENCE THAN THEIR PEERS IN OTHER COUNTRIES

I believe there are four dimensions to the education problem we are facing. First, I believe U.S. students are learning less mathematics and science than their peers in other industrialized countries.

In October, the results of the second international assessment of mathematics were released. It was just as ominous. There were five categories of mathematics achievement that were investigated. In every one of those five categories, the Japanese came in No. 1 among 20 countries that were involved. What did the U.S. fare? In statistics we came in eighth. In arithmetic, we came in 10th. In algebra we came in 12th. In geometry, 16th. In measurement we came in 18th.

U.S. STUDENTS ARE LEARNING LESS THAN THEY DID IN THE PAST

My second point is that U.S. students are learning less now than they did in the past.

There are a number of indicators of this, but probably the one that gets the most attention are the SAT scores. As we look over the past 20 years, we see that SAT scores resemble a ski slope—all downhill. Now in the last year or so, we've had a little blip at the bottom. Maybe it's an upturn. Maybe we've bottomed out and are beginning to go up once again. And then maybe those one- and two- and three-point rises are just a slight correction with the overall trend line still headed down.

As an indication, in the math area, the 1963 average math test scores for the SAT were 502. In 1984, they were 467. That's a 35-point drop. In the verbal area, which was even more volatile, the drop was from 478 in 1963 to 425 today.

THERE IS A LAXITY OF STANDARDS

My third point is that these problems, as I see them, are really due to a laxity of standards in American schools. The National Commission on Excellence in Education recommended last year that a high school curriculum should include four years of English. There should be three years of science, three years of mathematics, three years of social science, two years of a foreign language and a half-year of computer science.

Now other than computer science which is something that's new, that curriculum is not much different than what college-bound students were taking 20 years ago. It was fairly common. Yet just before "A Nation at Risk" was released in April 1983, the National Center for Education Statistics analyzed transcripts of high school students from all parts of the country. What they found was that only 1.8 percent—less than one in 50 seniors—met the curriculum standards laid down by the National Commission on Excellence in Education.

Thankfully, however, we are seeing change. Ever since "A Nation at Risk" was released, there have been several states increase their requirements for math and science. If we take a look at what's happening in mathematics, we see the following situation—that across the country the states in blue are states that have now approved increasing the standards in mathematics to three years, requiring three years of mathematics for graduation from high school. States shown in red are considering these changes.

If you take a look at the states now requiring three years of science, you see there are five and two others have proposed it. Not a strong showing nationwide, if you consider those important subjects, but at least there's been some movement. In 1983, there were not any states on either of these lists. None. And in fact, most states required not much more than a year of science and, at most, two years of math—and some didn't even require that.

THERE IS A SHORTAGE OF MATH AND SCIENCE TEACHERS

The fourth major point I'd like to make has to do with the serious shortage of qualified math and science teachers—something that many of us in this room are very much aware of. Virtually every state in the country has indicated that they have either a shortage or considerable shortage of math and science teachers at the secondary level.

In California in 1982, only 97 of 400,000 students in public four-year institutions are preparing to teach secondary school math.

In New York in 1982, only 32 graduating college seniors planned to teach high school math.

In New Hampshire in 1982, only one college graduate planned a career teaching math.

One aspect of the problem that's very important and that's the salary portion. You're not going to get good people into teaching—especially in areas of extreme shortage unless you pay them something that's reasonable.

Take a look at starting salaries and why we can't get people going into secondary school teaching. Electrical engineers: starting this year the average starting salaries this past June were over $26,000. Then we start dropping, $23,000 in mathematics, $21,000 in chemistry, $16,000 in biology and $14,000 for the elementary or secondary school teacher.

It takes a very dedicated person to stay with mathematics or science teaching. Certainly salaries are not the only issue and they're not sufficient to get people to go in, but I think it is a necessary condition.

If we want good people in there, we're going to have to pay them reasonably well.

THREE SOLUTIONS

Now, what can we do to rectify the problems I've mentioned this afternoon?

I think there are three things we can do. First, we need leadership. You represent a professional society—the National Science Teachers Association. You, in effect, are the spokespeople for the science teachers of America. The public places a great deal of credence in your society, they listen to what you have to say. The public obviously doesn't follow blindly, but societies such as yours can provide a great deal of leadership in solving the problems we face.

Another step to solve the problems I've mentioned is to create linkages and partnerships. By joining together—teacher to teacher, professional to professional, person to person—we can confront the issues I've mentioned.

Another step is action and public awareness. If action is going to take place, then the public is going to have to be aware of what's happening to support the issues and initiatives that societies such as the science teachers support.

Public awareness and public perception is critical in any campaign seeking change. Take a look at this editorial cartoon which shows the public's perception of high technology. The view of the cartoonist, in this case, was that Japanese education was very serious. The Japanese were doing a very serious job of teaching mathematics. The Soviet Union was very intense in what they were teaching. The U.S. was very frivolous, paying more attention to video arcades than to homework. They are spending more time with Pac Man then they are with the books.

It's a perception of a major newspaper—in this case, The Washington Post—and a highly respected political cartoonist. But that's why we need to influence the public awareness and public perception.

So we need three things: Leadership; linkages and action.

Ladies and gentlemen, America is a nation of doers. We have prided ourselves on individual achievement. We haven't waited for others to tell us what to do. We have responded to opportunities and have built a great nation. And we must now work to keep America great.

Thank you again for inviting me to be with you.●

JERRY SACHS, WRAP LEAD LOCAL FIGHT AGAINST DRUNK DRIVING

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. BARNES. Mr. Speaker, many people in Greater Washington are familiar with some of the generous public service contributions made by Abe Pollin, chairman of the board of the Capital Centre and owner of the Washington Bullets and Capitals sports teams. Today, I bring to the attention of the House the quiet, yet effective volunteer community efforts of Abe Pollin's close colleague, Jerry Sachs, president of the Capital Centre, who has become an important leader in the fight against drunk driving.

Jerry Sachs, who also serves on the executive board of Mothers Against Drunk Driving [MADD], has been one of the leading forces behind the highly successful Washington Regional Alcohol Program [WRAP]. WRAP is the coalition of business, government, and community leaders that marshalls and coordinates local resources to eliminate drunk driving in Metropolitan Washington. Largely due to the many unselfish contributions of Jerry Sachs, WRAP has become a model community-based organization against drunk driving.

Through its ongoing series of seasonal public information and education campaigns, WRAP has helped to create a new awareness among Washington, DC area residents about the tragic public health and safety risks posed by drunk driving. As a result, alcohol-related traffic deaths have dropped dramatically in the metropolitan area.

I submit for the attention of our colleagues a recent editorial by Andy Ockershausen, executive vice president of WMAL Radio in Washington, DC, that pays special tribute to the superb WRAP organization and the leadership of Jerry Sachs.

The editorial follows:

WASHINGTON REGIONAL ALCOHOL PROGRAM

I'm Andy Ockershausen, Executive Vice President of WMAL, Inc., with an AM—63 opinion.

Quietly, but very effectively, a group of concerned people from greater Washington has formed one of the country's finest grass roots coalitions against drunk driving.

The organization is WRAP—the Washington Regional Alcohol Program—and its accomplishments already are impressive.

WRAP is responsible for such programs as Safe Holidays, free taxi rides for party-goers in no condition to drive . . . Project Graduation to prevent deaths and injuries at Prom Time . . . Safe Summer . . . which encouraged people to report drunk drivers . . . and much more.

WMAL thanks the businessmen, lawmakers, auto dealers, bar owners, and concerned citizens who've given their time and talent to this effort.

We especially salute the president of the Capital Center, Jerry Sachs for his leadership. Because of committed people like Jerry Sachs WRAP has helped reduce alcohol-related highway deaths by 22% in the Greater Washington Area.

Thank you Jerry for caring and thank you for doing something for our community.

Please call us with your thoughts at 686-6363.●

INTRODUCTION OF AUBURN DAM LEGISLATION

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. SHUMWAY. Mr. Speaker, today I am introducing a bill to reauthorize a water project which is very important to the State of California, indeed to the entire Nation. This project, the Auburn-Folsom south unit was originally authorized in 1965. Construction was initiated but because of seismic and environmental concerns, it was never completed. This Nation has already invested over $300 million into this project and it is presently time to finish what was started some 20 years ago.

This project has not been without controversy; however, it is a testament to the legitimacy of the need for this project that it has never been deauthorized. In this legislation which I am introducing today, I strongly believe that the last of the controversies surrounding this project has been addressed and resolved: the effect of this project on the beautiful wild, and scenic lower American River and the Sacramento area.

In the past, the majority of residents who live in the city and county of Sacramento are understandably guarded about their wild and scenic lower American River. Accordingly, the most ardent of the area's river-recreationalists have felt an urgent need to actively protect the river from any development—such as the construction of the Auburn Dam—which in their eyes might diminish their plentiful recreational resource. Ironically, it is only because of effective water development, the Folsom and Nimbus Dams, that the river presently enjoys its high flow levels. Indeed, despite the many benefits such as water, flood control, and hydropower which the Auburn project would offer the area, Sacramento, orchestrated by these recreationalists, has raised its collective voice against the project in the past on the basis that an extension of the Folsom south canal would mean an end to the many river-activities that it has become accustomed to.

To a large degree, this passionate Sacramento-felt need to protect the river from the construction of Auburn has been understandable since the project's original 1965 operating scenarios placed too high an emphasis on delivering water down the Folsom south canal at the expense of the lower American River segment. However, this is no longer the case: the operating scenarios have been changed to accommodate for the needs of the river as a recreational and fisheries resource. In this regard, the area's river protectors have served their cause well by forcing the reevaluation of the overall scope of the project and helping to change the project's definition to a truly multiuse one which can actually enhance the lower American's flows. For this reason, it is important that the river's advocates do not allow their continued passion to cloud their ability to recognize a good thing when they see it: Just as the Nimbus and Folsom projects have benefited the river, so, too, will the presently envisioned Auburn project if constructed. In fact, in order to truly project the long-range flows in the lower American, the Sacramento area should actually support the presently envisioned Auburn Dam as a means to lasting river security. Let me explain why.

The lower American is currently without long-range protection and within 20-30 years, its flows will diminish to the point where, if the river is to sustain present-day recreational and fisheries levels, it will need the additional water which the Auburn project can supply. This diminishing lower American River flow picture becomes clear upon examining the Bureau of Reclamation's projections which indicate that future water needs will necessitate a dramatic increase in the utilization of both the existing upriver water rights held by Placer and El Dorado Counties, and the existing Folsom south water rights held by the Sacramento Municipal Utility District [SMUD] and East Bay Municipal Utility District [EBMUD]. Thus in 20-30 years, water users will have to rely heavily on the river as a water supply source, thereby severely decreasing present flow levels and jeopardizing the river's recreational capabilities.

Many in the Sacramento area ignore this threat to the lower American believing instead that they will be able to protect their river by preventing—as they claim has been done in the past—the full utilization of these aforementioned water rights through political means. However, for the river advocates to rely too heavily on the proriver political climate to protect the river forever would be unwise. The fact is that it has not primarily been this favorable political climate that has been able to maintain the river at its heretofore high levels; rather, it has been the area's adequate and available water supply which has allowed for the political luxury of proriver policies. In the future, however, existing ground water supplies will become more and more depleted and the area's demand for water will inevitably rise. Under these predictable conditions, it is hard to imagine that the wishes of the recreational interests alone will dictate the area's future political climate at the expense of the increased water needs of both irrigation and municipal and industrial water users. Consequently, any continued efforts to merely protect the status quo of the river through political means—rather than planning ahead of future needs—will only serve to assure that the lower American will, over time, experience a dramatic decrease in flow levels.

From a short-range perspective, the area can be confident that over the next 15-20 years, the Auburn Dam, if reauthorized today, would not effect the river's flow levels by 1 drop because it would not be operationally completed until then. After completion of the project, its effect would still not be felt until the year 2020 when the area water demands are predicted to be so great that, without Auburn, the river would begin to decrease dramatically. At that time, the added water and operational flexibility which Auburn would provide the Bureau of Reclamation with would help protect the river's flow levels. In fact, the operational minimum flow levels which can be guaranteed by Auburn, and which have been agreed to by both the Bureau of Reclamation and the U.S. Fish and Wildlife Service, would preserve the river's present fisheries and rafting levels virtually forever.

Aside from this long-range fish and recreational enhancement, the project will supply much-needed water to Placer, El Dorado, Sacramento—350,000 acre-feet/year—and San Joaquin—240,000 acre-feet/year—Counties, along with a sizable portion of clean, marketable hydropower for the area. Additionally, the flood control capacity provided by a completed Auburn Dam would protect the Sacramento area to the degree determined necessary by the Army Corps of Engineers. Without the Auburn Dam, the area will not be adequately protected from serious flooding devastation and alternate less promising flood control measure.

Economically, the project still enjoys a positive benefit/cost ratio of 1.24:1. This means that for every dollar spent on construction, the Auburn project would render $1.24 worth of benefits.

Negotiations are presently underway with potentially interested non-Federal investors to help finance the project through cost sharing. Under this financing scheme, those who stand to benefit from the project will help share in the costs. This policy is one which the Congress, at a time of serious Federal deficits, has generally accepted as a requirement for any and all new Federal water development. Fortunately, the needed benefits to be gained from a completed Auburn Dam are substantial enough to warrant cost-sharing initiatives and make this project a successful role model for the responsible execution of needed water development.

The Reagan administration, the Deukmejian administration, and most of the local officials and entities within the service areas of the Auburn unit are all strong supporters of the project. And, with the many water, hydropower, and flood control benefits which the project has to offer Sacramento, and now that proper legislative assurances can guarantee that the project can only help the long-range recreational aspects of the river, I strongly believe that it is in the area's best interest to finally join in support as well.●

GOLD MEDAL IN MEMORY OF HARRY CHAPIN

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. DORGAN of North Dakota. Mr. Speaker—

Feeding hungry people is important in the short run, but in the long run you've got to realize that powerful forces are creating those hungry people * * *. Our job is to look at those forces and to deal with them.

Mr. Speaker, today, amidst daily news reports of the drought and famine that have besieged many parts of Africa, these comments do not seem unusual. But when they were spoken 5 years ago, they were startling—and equally ambitious.

The man who spoke these words was Harry Chapin, well-known folksinger, songwriter and poet. His goal at the time was the establishment of a Presidential Commission on Hunger.

Harry Chapin's energy and commitment to end the scourge of world hunger was the principle catalyst behind the eventual creation of a Presidential Commission. These same qualities led Harry to form the Food Policy Conference, to organize World Hunger Year, and to perform hundreds of benefit concerts, the proceeds of which were donated to fight world hunger.

Three years ago, Harry Chapin was killed in an automobile accident. Yet the memory of his commitment to fight world hunger lives on. To commemorate his crusade and to celebrate them are qualities he embodied, I am joining my colleagues, TOM DOWNEY,

JIM JEFFORDS, and ROBERT MRAZEK in reintroducing legislation to strike a gold medal in his memory. A posthumously awarded medal should serve as a sign from Congress that Harry Chapin's struggle continues and that the national conscience that he stirred so effectively in the 1970's remains awakened to this global challenge.●

THE ACADEMY ADVISORY COMMITTEE OF THE 11TH CONGRESSIONAL DISTRICT OF CALIFORNIA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. LANTOS. Mr. Speaker, each year every Member of Congress has the honor and responsibility of selecting outstanding young men and women as nominees for the four service academies where our future military leaders are trained—the U.S. Naval Academy at Annapolis, the U.S. Military Academy at West Point, the Air Force Academy at Colorado Springs, and the Merchant Marine Academy in New York. These institutions play a vital role in ensuing the security of our country for coming generations through training our future military leaders.

The task of making these important nominations would be difficult, if not impossible, without the assistance I receive from the Congressional Academy Advisory Committees that work with me in the 11th Congressional District of California. I would like to call the attention of my colleagues to their valuable service. The extraordinary efforts and unselfish commitment of these men has led to the selection of a truly fine group of young people to serve their country.

Rear Adm. Herachel Goldberg [ret.] chairs the Naval Academy Committee, and he is joined by Tom Teshara, the west coast regional director for Annapolis; Mr. Tom Mohr, the principal of Westmoor High School; and Pablo Perez, who is the special education coordinator for Jefferson High School.

The Air Force Committee is chaired by Col. Robert Stirm [ret.], and its members include Louis A. Turpen, who is director of San Francisco International Airport and Col. Larry Otto [ret.], the chief test pilot for United Airlines.

Lt. Col. John Miller leads the West Point Committee and is joined by Col. Clayton Scott [ret.] and Brig. Gen. Robert Tarbox [ret.].

I would like to extend my heartfelt thanks to these men who have assisted in the decisionmaking process, and I congratulate them on their outstanding selections. Their tireless dedication ensures that the rich traditions of duty, honor, and serve to America will be continued at our national service academies.

America's Armed Forces have a long and noble history. In times of war and danger we look to the Army, Navy, and Air Force, not only for protection but also to uphold our traditions of freedom and democracy when threatened by foreign tyranny. Our Armed Forces include a diverse cross section of this country's population; some 4.7 million women and men contribute to our national safety.

I would like to congratulate the outstanding young men and women who have been chosen to attend our service academies from the 11th Congressional District. I wish them every success—on their shoulders rests the great responsibility of this Nation's security for future generations.●

LITHUANIAN INDEPENDENCE DAY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 19, 1985

● Mr. FISH. Mr. Speaker, today we are joining together with the Lithuanian people in their long and noble struggle for independence and freedom. Their hopes and aspirations to be free from Soviet domination are shared by free peoples throughout the world. Since the tragic June days of 1940 and 1941 when the Soviet Union invaded the Baltic States of Lithuania, Latvia and Estonia, we have refused to recognize the incorporation of these three countries by the Soviet Union.

Many of the approximately 45,000 Lithuanians who were lost to their country during this first Soviet occupation during World War II fled Soviet domination, were deported to Siberia, or were executed when the Soviet forces retreated under German attack. Unfortunately, the loss of the war by Germany did not spell freedom for Lithuania, as it did not for many other freedom-loving peoples in Eastern Europe. Since its annexation by the Soviet Union, we have heard little of the events within the country. The borders of the Baltic States have been sealed against the outside world and each other.

What news we do hear is uniformly bad. Because of Soviet policies there has been a considerable change in the composition of the population of Lithuania. During the second Soviet occupation in 1944, some 80,000 Lithuanians fled to Western Germany, and another 60,000 were found in Eastern Germany and deported to Siberia. During the next 2 years an additional 145,000 Lithuanians were deported. In 1949, 60,000 more were deported. Since Stalin's death, a revised policy of reuniting Lithuanians with their homeland has permitted about a third of those deported to return home. The rest are believed to have perished in Siberia.

The United States continued to recognize the legitimate independent Lithuanian Government which was established on July 27, 1922. We continue to maintain diplomatic relations with the representative of the former independent Government. The Lithuanian people continue to resist the tyranny of their subjugators and we are here today to join them in their efforts. In reasserting our recognition of the sovereignty of the Lithuanian State and its people we support their inalienable right to national independence and individual freedom.●

HE WANTED TO DO WHAT THE OTHER KIDS DID, AND HE STILL DOES

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. COELHO. Mr. Speaker, every once in a while, a story about courage, optimism, and extraordinary human spirit touches us in a special way. That is the case of young Jacob Geller, of Fresno, CA, who has overcome physical challenges to become a cadet in the Wawona Junior High School Cadet Corps. While this is an achievement within itself, what is most admirable is that this is just one instance of the determination and pride which is a characteristic of Jacob's attitude toward life.

I would like to share Jacob Geller's story with you, and salute Jacob for his patriotism, persistence and positivism.

[From the Fresno Bee, Feb. 3, 1985]

HE WANTED TO DO WHAT THE OTHER KIDS DID, AND HE STILL DOES

(By Doug Hoagland)

Jacob Geller is 14 and paralyzed from the waist down because of polio. Last year, he decided to join the cadet program at Wawona Middle School.

Carlos Reynoso, the cadet teacher, said sure, but he assumed Jacob would have some limitations.

After all, how could a wheelchair-bound cadet march in parades? And how could he attend out-of-town events where cadets slide in and out of sleeping bags every night?

How could Jacob succeed in a program where mobility is a given?

Al Geller was confident of his son's abilities. He and his wife Arly, had learned long ago not to place limitations on Jacob.

The cadet teacher soon learned that, also.

Today, Jacob is a corporal in the Wawona cadet corps. He maneuvers his arm-driven wheelchair in marching formations, knows the dos and don'ts of inspections and can teach other students the basics of first aid, discipline and rifle safety.

Jacob speaks sparingly about himself.

Why did he join cadets?

"I thought it would be fun."

What does achieving rank mean to him?

"The higher you are the more respect you get."

Wht happens when he gets tired of pushing himself during a parade?

"If I need a hand, I need a hand."

Jacob has been challenging limitations almost from the time he arrived in the Geller household nearly 10 years ago. He came as a 4-year-old orphan from South Vietnam.

At about age 5, Jacob decided he wanted to sleep upstairs with the other kids at the Geller household.

His dad pointed out the obvious limitations.

Jacob went up the stairs anyway. He pulled himself up by the elbows, his legs dragging behind. It took him 25 minutes.

"Then he yelled, 'Hey, Dad. Let's move my bed.' "

It was moved.

And eventually, Jacob could make it up the stairs in under four minutes. He would slide down on his stomach.

Said Geller: "He wanted to do what the other kids did, and he still does."

When his buddies head for Manchester Center, Jacob wheels along in his chair. He goes to the store for his mom and he attends school dances, where he's no wallflower.

Geller said he has it on good authority that Jacob can really "boogie" out on the dance floor.

How did a 14-year-old get such grit and confidence?

Geller believes he and his wife are partially responsible. "He's in a home that has encouraged him to do things. From our home came the attitude, 'I am a person. I am important. I can do.' "

But there's more to it than that, Geller said. "From his background came a survivor's attitude."

Of Jacob's background, the Gellers only know for sure that he was hospitalized for a time in South Vietnam, that he spent some time in an orphanage there and that the first attempt to airlift him out of Vietnam ended in an airplane crash. Of the 247 children aboard the Air Force cargo plane, 98 died when the plane went down.

Jacob's parents surmise other things about their adopted son's background. His father was an American soldier and his mother was Vietnamese. She may have abandoned him at birth.

The Gellers also think someone taught Jacob to beg on the streets. Even after arriving in Fresno, he would throw his flacid legs to the side, roll his eyes back in his head and thrust his cupped hands forward.

Such, apparently, was the plight of disabled children in Vietnam. In the United States, the Gellers sought the best medical care for him.

Jacob's paralysis is permanent, but doctors were able to straighten his curved back with surgery. The operation was performed when he was 9. For nine months after that, he was in a body cast, unable to move.

Throughout the long recovery period, Geller said, "Jacob's attitude never changed. The smile never left.

"By age 4, he'd been through so much that he has a maturity and an acceptance of his lot."

It's a quality that people notice.

Said Carlos Reynoso, Jacob's cadet teacher: "He's not handicapped. Sometimes I think I'm more handicapped in my mind because I see him in a wheelchair."

Jacob hopes others feel the same way when he goes to high school next year. He would like to continue in cadets.

Jacob makes it clear, though, "I don't want to get too carried away with it."

He has no intention of fulfilling his dad's vision of Jacob as the first wheelchair cadet at West Point.

No way, Jacob said. Life in the Army is not for him. "You're away from home and I don't feel like doing stuff like that," he said.●

THE MURDER OF HENRY LIU

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. MINETA. Mr. Speaker, a U.S. citizen has been murdered in California by agents of the Taiwanese Government because of that man's writings in criticism of that Government.

Henry Liu, the murdered man, was a resident of Daly City, CA.

The two men primarily responsible for his killing have fled to Taiwan, and our efforts to date to seek their return for trial in a U.S. court have been unsuccessful. In addition, three high officials of Taiwanese military intelligence have been implicated in the killing.

I am deeply distressed by this whole affair. I am pleased, however, by the seriousness with which the Committee on Foreign Affairs is pursuing this important issue. On February 7, 1985, I had the opportunity to testify before that committee's Subcommittee on Asian and Pacific Affairs, and have attached for Members' information that testimony.

I urge my colleagues to follow the developments in this case.

The testimony follows:

Thank you very much Mr. Chairman. I want to congratulate you and this Subcommittee for your leadership in holding today's hearing on this important matter. I am proud to be a cosponsor of your resolution (H. Con. Res. 49) along with Mr. Leach, Mr. Torricelli, and Mr. Lantos.

I particularly want to thank my fellow colleague from California, Mr. Lantos, for the important role he has played in bringing this case to national attention. I share his concern that this tragic crime may indicate a violation of the Arms Export Control Act.

I am here this afternoon for several reasons.

As an American of Asian ancestry, I am concerned about acts of violence against other Americans of Asian ancestry.

Most importantly, I am here today as a citizen of this country, and as a national legislator, who believes most strongly that our Constitutional promises of life and liberty must always be paramount, and that it is the responsibility of the federal government to protect those promises.

Henry Liu was a journalist, whose writing did not always please the government of Taiwan. And while I do not assume to know who is ultimately responsible in a legal sense for his murder, I am confident he was killed because of his work.

Let me put this bluntly as I can. Henry Liu was a U.S. citizen, just like all of us. Yet I am forced to believe that if Henry Liu was white, then this case would be handled differently by our government and other groups.

Imagine if you will the murder of an American journalist of Polish ancestry here in this country by agents of the Polish government because he wrote about the repression in the country from which he emigrated from. Or imagine if you will, an experienced American reporter of Iranian ancestry murdered by Iranian terrorists because he had the courage to write about the Ayatollah Khomeini.

Led by an appropriately outraged press there would be an outcry to demand justice. The national outcry would be enormous. Does anyone doubt that the President would take to the airwaves to denounce such an act? Does anyone question that issues would be raised at the highest levels of the State Department, the Justice Department, or the White House? Would not this story be front page news?

Yet an American of Asian ancestry is killed and this has not happened.

Mr. Chairman, I wrote to the Attorney General on January 11th asking for a strong response from the Administration, and so far—now, nearly a month later—all I have gotten back is a two sentence form letter. With your indulgence, Mr. Chairman, I'd like to read a portion of my letter to Attorney General Smith:

"Given this Administration's vociferous claim to be serious about stamping out terrorism, your silence is inexplicable. I am sorry to report that there is a growing feeling among Americans of Asian ancestry that this Administration is not seriously concerned with the most basic rights of minority citizens.

The letter continues, "It took several months of sustained public pressure before the Justice Department acted in the murder of Vincent Chin in Detroit. Please do not make us go through that painful process again. The people of this nation are entitled to expect and receive protection from their government against foreign terrorism."

And as I said, Mr. Chairman, all I have gotten back is a form letter acknowledging receipt of my letter.

I would like to briefly recount if I might the Vincent Chin matter referred to in my letter. On June 19, 1982, a young American of Chinese ancestry was enjoying a last night out before his wedding, when two auto workers in the bar with him blamed him for the troubles in the auto business.

Such scapegoating is not at all rare, but in this case the two men followed Mr. Chin for half a hour, later beating him to death with baseball bats. For this crime, the Michigan courts sentenced the two men to $3,000 fines and probation. Neither spent one night in jail.

As you can imagine, protests mounted, and it took eight months of hard work to convince the Department of Justice to indict these two men on federal civil rights charges. When the two men were finally prosecuted on federal charges, one was convicted of violating Mr. Chin's civil rights.

The same sort of situation appears to be developing here. How many of these cases have to be endured before the rights of Americans of Asian ancestry are fully respected and protected by our government? Americans of Asian ancestry are sick and tired of the failure of the federal government to vigorously enforce the civil liberties they possess as citizens of the United States.

I urge this Subcommittee to send a signal that the time has come to put an end to the hypocrisy that condemns terrorism against U.S. citizens abroad, but turns a blind eye to it here at home when opposing such terrorism puts us at odds with our so-called friends. We cannot allow Taiwan to be a safe haven for those who murder U.S. citizens.

I understand that the government of Taiwan has said it will try the two men most directly responsible for this murder. Three senior officials of the Taiwanese military intelligence, including its head, are also under investigation. Apparently FBI and Daly City police were able to interview the two men who have already been charged, but either did not seek or were not allowed to interview the intelligence officials. I regret we have not agressively sought to have these men returned to U.S. courts.

I have been told that Taiwanese law would not allow the return of these men—that perhaps, while they would want to return the two suspects in this case that they are restrained from doing so by their own laws. I say to my friends in Taiwan that U.S. law does not allow us to sell arms to a country when there is a systematic pattern of intimidation or harrassment against U.S. citizens.

And I urge my colleagues in Congress to make clear to Taiwan, and others, that policy decisions involving foreign assistance by this country will not be constrained by technicalities when the safety of our citizens from terror is involved.

Perhaps even more importantly, I am saddened by the apparent unwillingness of this Administration to tell Americans of Asian ancestry what they have a right to hear, that this nation values their rights and their lives just as highly—no more, no less—as all other citizens.

Mr. Chairman, I have met with Vincent Chin's mother. Now I am here with Henry Liu's widow. I hope I do not have to make any similar appearances in the future.

In closing, Mr. Chairman, let me emphasize my deep concern with the apparent freedom with which agents of the Taiwanese Government have operated within our country. To put it more bluntly, I am sick and tired of seeing foreign agents come to this country, do their dirty work, and then run back to their home countries and claim protection of that nation's laws.

Surely acts of violence against U.S. citizens on U.S. soil should be wholly within U.S. law. To kill an American and then claim the protection of a foreign nation's laws is behavior that dishonors that nation. And, Mr. Chairman, these are supposedly our friends. We sold them $760 million in arms in 1985.

So Mr. Chairman, I think the time has come to tell these so-called friends of ours to take their intelligence operatives and recall them home. And I hope you will join with me, Mr. Chairman, in asking the new chairman of the Permanent Select Committee on Intelligence to begin an intensive investigation of this whole matter. And furthermore, Mr. Chairman, should you want to introduce legislation tightening up the Arms Export Control Act—a goal I know you have worked on in the past—then please count me as a supporter.

There is no place for domestic terrorism in this Nation. And if the administration will not act to stop it, then let us in the Congress take the lead.

Thank you.●

ESTONIAN INDEPENDENCE DAY

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. HUGHES. Mr. Speaker, I am very proud to join with my many colleagues who have spoken this week to commemorate the 67th Anniversary of the Proclamation of Independence of the Republic of Estonia.

February 24, 1985, is a special anniversary for the courageous people of Estonia. On this date 67 years ago, the Estonians first cast aside a history of foreign domination and declared themselves to be an independent and autonomous republic. Their celebration, however, not to mention their freedom, was tragically short lived.

Immediately after independence was declared, the Republic of Estonia was invaded by the Germans, who occupied Estonian territory until the armistice was finalized in November 1918. The provisional government then defended itself from the Bolshevik Army, which sought to impose Communist theology on the newly liberated Estonians. Adopting the slogan, "No Compromise With the Communist," the Estonians rallied to overcome the Soviet threat, aided by financial support and volunteers from England, Finland, Sweden, and Denmark.

In 1920, this perservance was rewarded, and the Soviet Union renounced all rights over Estonia forever. For the next 20 years, this independent republic thrived, developing a rich national culture, and a prospering economy while living under a written constitution with a bill of rights and free elections.

But this liberty was not to last. In flagrant violation of the peace treaty of 1920, the Soviets signed the Molotov-Ribbentrop Pact, condemning Estonia and its Baltic neighbors, Latvia, and Lithuania. The Soviets forcibly annexed the territory of Estonia in 1940, and subjugated its inhabitants. The Soviet annexation not only terminated Estonia's independence, but led to massive executions and deportations. Many more died defending their homeland or fleeing Russian tyranny. And those few who were lucky enough to escape Soviet horrors had to start a new life in other countries with only the clothes on their backs.

The Estonian people, however, refuse to this day to succumb to Soviet tyranny and oppression. In their struggle for independence, Estonian youth continue to resist subjugation through their demonstrations and appeals to the free world. In support of this quest for freedom, the United States refuses to recognize the annexation of the Republic of Estonia by the Soviet Union. We who live free urge the Government of the Soviet Union to comply with the provisions of the Helsinki accords, and grant the citizens of Estonia their basic individual liberties and human rights.

On this occasion, we salute the determination of the people of Estonia, and join in solidarity with them in their continuing opposition to Tyranny. The brave people of Estonia deserve international recognition today for their never-ending struggle for liberty and emanicaption from Soviet control. I join Estonians and Estonian-Americans in the hope that their quest for independence will end in victory, and the Independent Republic of Estonia will again take its deserved place among the free nations of the world.●

CONGRESSIONAL BUDGET ACT AMENDMENTS OF 1985

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. BEILENSON. Mr. Speaker, I am reintroducing legislation today which would strengthen and improve the effectiveness of the congressional budget process. Joining me in sponsoring this proposal are Members of Congress who helped develop this bill last Congress: Messrs. FROST, BONIOR, HALL (of Ohio), PANETTA, GEPHARDT, ASPIN, MURTHA, DICKS, PENNY, MORRISON (of Washington), and MINETA.

Our legislation retains the basic framework of the Congressional Budget Act of 1974, but incorporates and builds upon many of the practices which have evolved in recent years, including that of adopting just one budget resolution each year and using reconciliation to make budgetary changes in programs which are not annually reviewed. This bill would strengthen and streamline procedures by: expediting the timetable for budget-related action; expanding coverage of the budget process—by including off-budget activities and providing controls for credit and tax expenditures; enforcing the budget resolution immediately upon its adoption and focusing enforcement at the committee level; and providing for better coordination of the process within the House of Representatives.

The Congressional Budget Act Amendments of 1985 are the product of a 2-year review by the Rules Com-

mittee Task Force on the Budget Process, a panel of 24 Members from various House committees which held 33 days of meetings and hearings on the congressional budget process during the 97th and 98th Congress. The task force considered several alternatives to the existing budget process, including the use of an omnibus budget bill and a 2-year budget cycle, before recommending that Congress build upon and improve the procedures currently used.

The Budget Act amendments recommended by the task force were introduced as H.R. 5247 on March 27, 1984, and referred to the House Rules and Government Operations Committees. The Rules Committee held hearings on the bill in May, and ordered it reported in June. However, we were dissuaded from seeking further House action during the 98th Congress because Senate budget leaders advised us that the other body would not consider budget process changes prior to the November elections.

In developing this legislation, our task force tried to address several widely recognized weaknesses and deficiencies in our existing process. One issue is timing: The statutory timetable Congress operates under provides too much time for adopting the budget resolution in relation to the amount of time available for acting on appropriation bills and reconciliation legislation. Partly as a result, Congress has had a growing tendency to rely on continuing resolutions, rather than regular appropriation bills, to fund large numbers of Government programs and, in some years, has failed to act on reconciliation legislation.

A second issue is enforcement: Congress waits until fall, after most budget legislation for the applicable fiscal year has been adopted, to apply any points or order against spending or revenue measures which breach budget totals. Furthermore, the Budget Act's enforcement system does not differentiate between committees which comply with the provisions of budget resolution when acting on their portion of the budget and those which do not, which sometimes results in penalizing one committee for budgetary problems for which they are not responsible.

Third, the budgetary treatment of different kinds of Federal support is uneven: Spending through the appropriations process is adequately reviewed but other forms of support—most notably, off-budget spending, credit programs, tax expenditures, and spending outside of annual appropriations—are not subject to as much scrutiny. As a result, Congress tends to overlook areas where budget savings could be made.

And, fourth, because the success of the budget process depends on a great deal of coordination among the various committees involved in the budget process, ways are needed to help resolve problems which inevitably arise over matters such as proposed new budget procedures.

This legislation is intended to address all of the above-mentioned issues. Below is a summary of the major provisions of the bill:

USE OF A SINGLE ANNUAL BUDGET RESOLUTION

The practice of adopting one concurrent resolution on the budget each year would be formally instituted. Unlike current practice, however, the budget resolution would be enforced immediately upon its adoption. Congress could adopt a subsequent resolution at any time if there is a need to revise the spring resolution.

ACCELERATED TIMETABLE

The schedule for adoption of the budget resolution and budget-related legislation would be accelerated and compressed in order to allow Congress to finish all of its budget work earlier in the year and to eliminate the routine use of continuing resolutions.

The President would be required to submit his budget by the first Monday after January 3. And, he would be required to submit the text of legislation for any new entitlement or revenue proposals in his budget within 2 weeks after the budget submission.

Congress would be required to adopt the budget resolution by April 15, rather than by May 15. In conjunction with that new deadline, the House would be required to elect its committees within 7 days after January 3, and committees would submit their views and estimates reports to the budget committees by February 25.

The current May 15 deadline for reporting authorization bills would be repealed. However, in order to avoid conflicts with related appropriations bills, authorization bills affecting the coming fiscal year would need to be reported early enough to be considered on the floor between the months of February and May.

The House Appropriations Committee would be required to report all 13 of its regular appropriations bills by June 10. The House would be required to consider all 13 appropriation bills as well as any reconciliation legislation directed by the budget resolution before adjourning for the Independence Day district work period; the Senate, by August 15.

STENGTHENED CONTROLS

For the first time, controls would be effective immediately upon adoption of the budget resolution. And, responsibility for complying with the provisions of a budget resolution would be placed on committees with jurisdiction over programs included in the budget, which would result in a stronger system of enforcement than Congress currently has.

After adoption of a budget resolution, each committee with jurisdiciton over a portion of the budget would receive an allocation for discretionary action covering 1, 2, or 3 years. Spending, credit, or revenue legislation reported by a committee which breaches that committee's allocation would be subject to a point of order.

Furthermore, the use of reconciliation to make changes in entitlements, revenues, and other parts of the budget not annually reviewed would be made a regular part of the process. In the House, if a committee which receives a reconciliation directive does not report legislation accordingly, the House Rules Committee could make in order an amendment which does fulfill that directive.

EXPANDED COVERAGE

In order to ensure evenhanded budget treatment of different forms of Federal support, new requirements would apply to off-budget Federal agencies and programs, credit programs, and tax expenditures.

All Federal agencies and programs which are currently off-budget would be put on budget. The Social Security trust funds, which are scheduled to go off budget in 1992, would remain on budget. Any legislation introduced in the House proposing off-budget status would be referred to the Government Operations Committee.

Direct loan obligations and primary loan guarantee commitments would be included in the budget resolution and would be subject to the same controls as direct spending. Credit could be included in reconciliation directives. New credit programs would be controlled through the appropriations process.

The budget resolution would include a recommended change to the level of tax expenditures, separate from the recommended change to revenues. Reconciliation could direct a change in the level of revenues specifically from changes in tax expenditures.

IMPROVED INSTITUTIONAL COORDINATION

An elastic clause permitting new procedures to be included in a budget resolution would be retained in the Budget Act, but in the House, in order to ensure the opportunity for review of any such procedures, a budget resolution containing new procedures would be referred to the Rules Committee. And, any new budget procedures first introduced in the House-Senate conference on the budget resolution could be given separate consideration when the House considers the conference report.

In order to help resolve any problems that might arise in the course of implementing the budget resolution, the Speaker, in consultation with the minority leader, would appoint a Members user group to advise him on such matters as budgetary scorekeeping rules and practices.

Mr. Speaker, it is more important than ever before that we establish stronger and more effective procedures for acting on the budget. Because of the magnitude of the Federal deficit, the political problems involved in acting on the budget will be with us for years to come. However, we need not compound those difficulties by continuing to operate under a budget process which is not nearly so effective as it could be. By enacting the very important yet relatively simple amendments to the Congressional Budget Act of 1974 outlined above, we will give ourselves the tools we need for more effective and responsible decisionmaking.

I urge all of my colleagues to add their support to this effort to improve our budget process.●

PARRIS URGES HEARINGS ON DESIGNER DRUGS

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. PARRIS. Mr. Speaker, we face a new type of drug problem that could have disasterous consequences for our society. I am submitting into the RECORD a letter I have sent to the chairman of the House Select Committee on Narcotics Abuse and Control.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, February 20, 1985.

Hon. CHARLES RANGEL,
Select Committee on Narcotics Abuse and Control, Washington, DC.

DEAR CHARLIE: As a member of the Select Committee on Narcotics Abuse and Control, I would like to bring to your attention a very serious narcotics problem that has the potential of becoming a national catastrophe if the federal government does not act swiftly.

I have been informed that the national Centers for Disease Control is investigating modifications being made to mind-altering chemicals that make them difficult to identify and give them dangerous side effects, such as paralysis or death. These substances are being referred to as "designer drugs" and have caused numerous deaths, mostly in the San Francisco Bay area. Neither the drug users nor the enforcement agents are equipped to recognize these drugs on the street.

Some experts are reporting that one of the problems with these substances is that current surveillance programs for street drugs will not detect many "designer drugs". One reason for this may be that there is a lag between the development of expertise of street drug surveillance and the chemists. The people creating these substances are making molecules faster than we are able to develop the means to detect them. These black market chemists can alter the color and consistency of the drugs, in an effort to keep them from being detected, and there is reason to believe the drugs are becoming more widespread.

I am requesting that the Select Committee on Narcotics Abuse and Control hold a hearing as soon as possible to consider the problems that designer drugs pose for our society. I have discussed this matter with representatives from the Food and Drug Administration and the Justice Department. I suggest that the Select Committee consult these agencies in an effort to determine how we might best assist them in their control efforts.

Best regards.

Sincerely,

STAN PARRIS,
Member of Congress.●

HIGH TECHNOLOGY RESEARCH AND SCIENTIFIC EDUCATION ACT OF 1985

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. AuCOIN. Mr. Speaker, today I am pleased to join my colleagues, Mr. PICKLE and Mr. FRENZEL, and other members of the Ways and Means Committee, in introducing the High Technology Research and Scientific Education Act of 1985.

This legislation addresses two critical needs for sustaining this country's technological edge: aggressive research and development and a supply of workers with the skills and education to carry our high-tech industry into the future.

The bill does this by making the existing R&D credit permanent, extending the credit to start up companies and by encouraging corporations to increase their donations of cash and equipment to colleges and universities for basic research and classroom instruction in the sciences.

Innovation is a great American strength and very much admired by our foreign competitors. But it can't be taken for granted. I represent a district in Oregon which is fast becoming a hub of high-tech activity. In fact, the Office of Technology Assessment has estimated that the Sunset Corridor area in Washington County ranks the sixth most desirable area in the country for high-tech development. High-tech firms in my State of Oregon have told me that the continuation of this credit is vital to their industry for a number of reasons.

These firms, like all high-tech companies, operate in the vanguard of innovation. For them, innovation is a condition of survival. It is, in fact, what they sell and the R&D tax credits provide a sound foundation for risk investment in new products and technologies. We need a permanent credit to create a stable incentive for businesses considering R&D investments.

The research incentives in this bill are also critical in helping these companies remain competitive in the face of increasing challenges from our trading partners. Countries like Japan are eating away at our technological lead through tax incentives, subsidies, and other means of support which we do not provide. In the last two decades, Japan has far outspent the United States as a percentage of gross national product—1.7 percent compared to 2.3 percent. So far, the high technology industry has been one of the few sectors to contribute positively to the U.S. balance of trade. But if we hope to maintain this position, we must increase the level of research and development in this country.

As Congress' Office of Technological Assessment recently observed:

> [Staying] highly competitive in electronics and other technologically driven industries with U.S. firms remaining leaders in innovation, in international trade, and in sales and profit [is] necessary if the United States is to maintain its standard of living, its military security, and if the U.S. economy is to provide well-paying and satisfying jobs for the Nation's labor force.

The way to achieve this is not to counter the protectionist measures of our overseas competitors with protectionist measures of our own. The way to achieve this is to play to our strengths, which is what this bill does. It takes American ingenuity and carefully targets incentives to spur innovation and growth in our industries.

A second objective of the bill is to make sure that our education system is responsive to the changing needs of our industries by encouraging corporations to work with our universities and vocational schools. A growing high-tech sector can create new products, jobs, and trade opportunities, but unless we start putting investments into the classroom, we aren't going to have an adequate pool of engineers, scientists and others to draw from. Institutions like the research-oriented Oregon Graduate Center in Beaverton can act as an "educational anchor" for high technology firms and supply a skilled and educated workforce to meet their needs.

It is both appropriate and necessary to support increased R&D. But it is not just for the benefit of the high-tech industry. Technological innovations developed in the high-tech sector can help furnish other, more traditional industries with the means to sustain or regain their own international competiveness.

Mr. Speaker, after the R&D tax credits were authorized by Congress in 1981, corporate investments in research and development went up 40 percent. In 1982, they increased 38 percent. Those are dramatic increases for 2 recession years. And, I believe we can do even better.

This legislation is the centerpiece of a bipartisan, coordinated effort in Congress to help our Nation maintain its technological edge. I urge every Member of Congress to join us in this effort.●

THE JOB CORPS AND THE OPPORTUNITY SOCIETY

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. FEIGHAN. Mr. Speaker, the President has repeatedly exhorted all of us to help make America a genuine opportunity society—a society in which any individual who applies himself can find a job. The ideal of equal opportunity is certainly a noble one, and one which should bear no partisan reservations. Unfortunately, while the President's rhetoric exhalts employment opportunity, his concrete policies would deny such opportunity to many of our Nation's disadvantaged youth.

In order to compete in the job market, citizens must possess useful skills. Training programs that genuinely equip young people with marketable abilities are among the soundest investments we can make in the health of our economy and in the stability of our society. Yet since fiscal year 1980, funding under the Jobs Training Partnership Act and its predecessor, the Comprehensive Employment and Training Act [CETA], has been slashed 65 percent. The President has repeatedly called for the elimination of the Work Incentive Program that provides job services, training, and public service employment to recipients of aid to families with dependent children. In his fiscal year 1986 budget proposal, the President has requested the elimination of another important training program, the Job Corps. All of these programs, notably the Job Corps, are aimed at providing employment opportunities—not opportunities glibly declared in speeches, but real opportunities grounded in productive skills—for those least able to gain such opportunity on their own.

Approximately 78,000 disadvantaged young people between the ages of 16 and 21 participate in training programs at 107 Job Corps centers across the country. Many of these youths are school dropouts. They form a group with one of the highest unemployment rates in our society. While the overall unemployment rate stood at 7.4 percent in January, the rate among 16- to 19-year-olds remained a staggering 18.9 percent.

Although the Reagan administration claims that the Job Corps has an unacceptably low success rate, the figures the administration uses to bolster this claim are, to be generous, strained. The President's budget proposal states that only 35 percent of Job Corps trainees end up getting jobs. Yet the budget neglects to mention the approximately 15 percent of participants who go on to further education, either high school or postsecondary. And the budget omits any reference to the approximately 25 percent of participants who enter the armed services, many of whom would not have been able to meet some of the entrance requirements for the military without their Job Corps training.

The Job Corps Center in my own home area of Cleveland, OH, provides an important employment training resource in a part of the country where the unemployment rate remains significantly above the national average. At a cost of approximately $5 million per year, the Cleveland Job Corps Center supports 530 training slots, and helps more than 850 young people each year. Many of the trainees learn skills, such as bricklaying, tilesetting, and masonry, that prepare them to work in the building trades. Herman Padigutti and Orlando Balotta of the Cement Mason's Local No. 404 have been particularly successful in recruiting Job Corps graduates for their union's apprenticeship programs. Mr. Padigutti and Mr. Balotta, as well as many other building trades unionists, have helped make the Job Corps in Cleveland a true community resource.

As we grapple with the task of cutting the massive Federal budget deficit, we must be hardnosed in looking for programs to trim. But we must also be wise enough to recognize programs that more than pay for themselves by promoting economic vitality and social well-being. The Job Corps is such a program. It should continue to play an important part in building the opportunity that we all cherish.●

AMERICAN HEART MONTH

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. HOYER. Mr. Speaker, cardiovascular disease is this Nation's leading killer. Every year since 1963 Congress, by joint resolution, and the President have declared February as American Heart Month. This allows us an opportunity to provide special recognition to the American Heart Association's contribution in the areas of cardiovascular research, public and professional education and community programs.

Over 42 million Americans have one or more forms of cardiovascular disease. Of the 1.5 million individuals that will have heart attacks in 1985, approximately 550,000 of these individuals will die. High blood pressure afflicts an estimated 37 million adults. And 500,000 individuals will suffer a stroke in 1985. The total economic cost of cardiovascular disease in 1985 will reach $72 billion for medical treatment, lost salaries, rehiring and training, and insurance and disability claims.

The American Heart Association, because of the magnitude of this problem, commits a major portion of its resources to the funding of research grants. This longstanding commitment by the AHA to research, in conjunction with the efforts of the National Heart, Lung and Blood Institute [NHLBI], has contributed to remarkable declines in the death rates from cardiovascular disease—since 1968, the death rate from coronary heart disease has declined by 33 percent and the death rate from stroke has plummeted by 46 percent.

Unfortunately, cardiovascular disease remains this Nation's leading cause of death—almost as many people will die from heart disease in 1985 as from cancer, accidents and all other causes of death combined. There is evidence, however, that the potential exists for the achievement of further reductions in cardiovascular death rates in the next decade. Exciting new research areas in cardiovascular disease will pave the way for these reductions to occur: The application of advances in cellular and molecular biology to the study of arteriosclerosis and hypertension; research in the relationship of nutrition to cardiovascular disease; study of the effects of behavior, stress and exercise on cardiovascular patients; and new educational efforts in the area of hypertension, cholesterol, and smoking aimed at the general public are just a few areas being pursued by both the American Heart Association and the NHLBI at this time.

In declaring February as American Heart Month, we recognize the need to continue to fight against cardiovascular disease and we urge all Americans to continue to support scientific endeavors dedicated to this goal.●

U.S. POLICY TOWARD NICARAGUA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. HAMILTON. Mr. Speaker, on December 20, 1984, I initiated a correspondence with Secretary of State Shultz concerning U.S. policy toward Nicaragua, seeking a clarification of our goals there and the means we seek to achieve them. The material from Ambassador Harry W. Shlaudeman to which Secretary Shultz refers in his February 6, 1985, reply has largely been made public already in a resource book, "The Contadora Process," available from the Department of State and therefore it is not submitted here.

The correspondence with Secretary Shultz follows:

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 20, 1984.

Hon. GEORGE P. SHULTZ,
Secretary, Department of State, Washington, DC.

DEAR MR. SECRETARY: I write concerning United States policy toward Nicaragua which has been the subject of conflicting statements in recent days.

I would appreciate your specific answers to each of the following questions:

Can the United States accept the present government in Nicaragua?

If the U.S. cannot, what changes does the U.S. seek? Do those changes involve individuals and/or policies?

Are the changes we seek mainly in foreign policy? What specific domestic policy changes do we seek?

Is it your belief that the desired policy changes can be brought about by the current leadership in Nicaragua?

Is it your judgment that a change in the Government of Nicaragua is a prerequisite to the achievement of U.S. policy goals?

Is it your belief that the Government in Nicaragua today is exporting revolution? If so, what is your evidence?

Is it the view of the Administration that the Government of Nicaragua today has expansionist aims? If so, against whom?

If the behavior of the Nicaraguan government does not change, what policies toward it does the Administration intend to pursue?

Is U.S. political support, and the hope of renewed funding, for the Contras still the centerpiece of U.S. policy toward Nicaragua? What U.S. policy objectives do you expect the Contras to help you achieve?

Short of the direct application of U.S. military force, how can a policy of pressure against the Nicaraguan government succeed if its leadership is convinced that the U.S. seeks its overthrow? What inducements exist for moderate Nicaraguan policies if the Nicaraguans believe the U.S. seeks to undermine their government?

What is the status of U.S. bilateral negotiation with Nicaragua? What are the principal issues? What are the respective U.S. and Nicaraguan positions on those issues? What progress can you note? Does the United States seek a bilateral agreement with Nicaragua? If so, what elements would you expect in such an agreement?

What is U.S. policy toward the Contadora peace treaty proposal and what does the U.S. see as the Nicaraguan policy toward the proposal? What kind of verification procedures do we seek? Is verification possible under present circumstances? Is U.S. support for any treaty proposal contingent on effective treaty verification?

Is it your judgment that an economic embargo or the breaking of diplomatic relations with Nicaragua would further U.S. aims, or would serve to drive the Sandinista government further into the arms of the Eastern bloc?

I appreciate your prompt consideration of these questions and hope your answers will help clarify U.S. policy toward Nicaragua.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

THE SECRETARY OF STATE,
Washington, February 6, 1985.

Hon. LEE H. HAMILTON,
Chairman, Select Committee on Intelligence, House of Representatives.

DEAR MR. CHAIRMAN: Your letter of December 20, 1984 raises several provocative questions about U.S. policy in Central America. You will find our answers detailed in the enclosed memorandum. In addition, Ambassador Harry Shlaudeman, the President's Special Envoy to the region, has replied directly to your questions relating to the current status of both the Contadora process and the bilateral dialogue with Nicaragua.

The issues you raise have a fundamental bearing on the present policy dilemma in Central America. I hope that in the days ahead we can work together to provide the President with the tools necessary for accomplishing our national objectives in this important region.

Sincerely yours,

GEORGE P. SHULTZ.

Enclosure: As stated.

ANSWERS TO SPECIFIC QUESTIONS RAISED BY REPRESENTATIVE HAMILTON IN HIS LETTER OF DECEMBER 20

1. Can the United States accept the present government in Nicaragua?

An authoritative answer is contained in the President's letter to Senator Baker of April 4, 1984: "The United States does not seek to destabilize or overthrow the Government of Nicaragua; nor to impose or compel any particular form of government there."

2. If the U.S. cannot, what changes does the U.S. seek? Do those changes involve individuals and/or policies?

As noted above, we do not seek to overthrow the current government; nor do we seek to replace individual members of that government. What we seek are changes in Nicaraguan government behavior, as discussed in the following responses.

3. Are the changes we seek mainly in foreign policy? What specific domestic policy changes do we seek?

The changes we seek in the behavior of the Nicaraguan government are as follows: (1) An end to Nicaraguan support for guerrilla groups that operate in other countries; (2) Severance of Nicaraguan military and security ties to Cuba and the Soviet Bloc; (3) Reduction of Nicaragua's military strength to levels that would restore military equilibrium in the area; and (4) Fulfillment of the original Sandinista promise to support democratic pluralism within Nicaragua.

4. Is it your belief that the desired policy changes can be brought about by the current leadership in Nicaragua?

The ultimate answer to this question must come from the government and people of Nicaragua. Our direct dialogue with the government of Nicaragua and our support for the Contadora process, in which Nicaragua is a participant, are predicated on an affirmative assumption.

5. Is it your judgment that a change in the Government of Nicaragua is a prerequisite to the achievement of U.S. policy goals?

See above.

6. Is it your belief that the Government of Nicaragua today is exporting revolution? If so, what is your evidence?

The evidence that Nicaragua is actively supporting guerrilla movements and other forms of violence in several other Central American countries is ample and conclusive. Much of the evidence for this has been provided to the House Permanent Select Committee on Intelligence; more will be offered in the coming year. This evidence, however, cannot be evaluated only in terms of the historical context of conventional warfare. Despite their unmistakable militarization and belligerency, it is not our contention that the Sandinistas are about to engage in conventional aggression in which they would seize their neighbors' territory. Those who impute this concern to us do so generally as a means of attempting to portray our apprehensions—and hence our reaction—as exaggerated. The Sandinistas are less likely to take overt actions which would obviously trigger the Rio Treaty or other international agreements, than they are to employ the entire range of unconventional forms of aggression, carefully designed to conceal their support for revolutionary and terrorist activities in other countries.

7. Is it the view of the Administration that the Government of Nicaragua today has expansionist aims? If so, against whom?

See above.

8. If the behavior of the Nicaraguan government does not change, what policies toward it does the Administration intend to pursue?

Our opposition to hidden forms of aggression must be as clear and unequivocal as it is to conventional aggression. We must not have separate responses from the Administration and from Congress. A division on this critical issue will encourage additional adventurism on the part of the Sandinistas and their Soviet and Cuban patrons.

This issue is particularly important because recent years record a decline in the incidence of conventional warfare and an increase in the number of challenges mounted in the gray area of unconventional warfare. The Congress of the United States clearly does not intend for this country to disarm itself unilaterally in this arena. Yet, we have not reached a national consensus on the appropriate response.

If we do not develop an effective response to the Sandinistas, we shall pay a terrible long-term price. It seems obvious that any response must include conventional elements such as intense diplomatic activity, support for constitutional democracy, and elements of security assistance. Moreover, for this response to be effective, we must not rule out support to groups that resist domination by totalitarian regimes, especially when support to such groups serves as an appropriate response to unconventional aggression.

We must reinforce active negotiations with the pressure needed to ensure their success. Our goals, set out in the answer to question No. 3, are not in dispute.

9. Is U.S. political support, and the hope of renewed funding, for the Contras still the centerpiece of U.S. policy toward Nicaragua? What U.S. policy objectives do you expect the Contras to help you achieve?

U.S. support for the Nicaraguan armed opposition is not, nor has it been, the "centerpiece" of Administration policy toward Nicaragua. Our policy is a multifaceted one, aimed at meeting the objectives cited in the answer to question No. 3 above. We are pursuing these objectives through a variety of means. These include conventional diplomatic channels, e.g., our close support for the Contadora process and our direct dialogue with Nicaragua; economic and political pressures aimed at convincing the government of Nicaragua that its aggressive and destabilizing behavior carries a price; and support for strengthened democratic institutions, equitable economic development and increased security in the friendly nations of the region threatened by Nicaragua.

Regarding the relationship between U.S. policy objectives and the armed opposition, we note that the negotiating progress has occurred only when the Sandinistas faced pressure from the armed resistance. To end this pressure before Nicaragua has entered

into a comprehensive and verifiable agreement would seriously undercut the negotiating process, making further progress virtually impossible to achieve.

10. Short of the direct application of U.S. military force, how can a policy of pressure against the Nicaraguan government succeed if its leadership is convinced that the U.S. seeks its overthrow? What inducements exist for moderate Nicaraguan policies if the Nicaraguans believe the U.S. seeks to undermine their government?

In the first place, the premise that the Sandinistas are governed in their policy decisions by the perception that we seek their overthrow is open to serious question. These charges, like the periodic Sandinista warnings of imminent U.S. invasion, must be seen, in large part, as a propaganda device. In any event, our disavowal of any intention to overthrow the Sandinistas or invade Nicaragua has been expressed repeatedly in public and privately to the Government of Nicaragua.

More to the point, we are convinced, based on long and frustrating experience with the Sandinistas in the early years of their rule, that our current policy, with its elements of pressure, is the only one that has any chance of influencing the Sandinistas to abandon their destabilizing and repressive behavior and take the positive steps outlined in the answer to question No. 3 above.

11. What is the status of U.S. bilateral negotiations with Nicaragua? What are the principal issues? What are the respective U.S. and Nicaraguan positions on those issues? What progress can you note? Does the United States seek a bilateral agreement with Nicaragua? If so, what elements would you expect in such an agreement?

Material provided by Ambassador Shlaudeman.

12. What is U.S. policy toward the Contadora peace treaty proposal and what does the U.S. see as the Nicaraguan policy toward the proposal? What kind of verification procedures do we seek? Is verification possible under present circumstances? Is U.S. support for any treaty proposal contingent on effective treaty verification?

Material provided by Ambassador Shlaudeman.

13. Is it your judgment that an economic embargo or the breaking of diplomatic relations with Nicaragua would further U.S. aims, or would serve to drive the Sandinista government further into the arms of the Eastern bloc?

It would be inappropriate to comment on hypothetical policy alternatives in this communication. In any event it would not be accurate to describe the close relationship between the Sandinistas and the Eastern bloc as one into which the former have been driven.●

FARM CREDIT PRIVATE OWNERSHIP RESTORATION ACT OF 1985

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. SAM B. HALL, JR. Mr. Speaker, the Farm Credit Administration is using the Nation's farm credit crisis to gain control of the private banks in the farm credit system. The FCA apparently wants the 37 banking institutions in the system to be consolidated into a single bank controlled by the FCA and has for the past year been pursuing policies designed to achieve that end. Consequently, I am today introducing legislation that will restore local control to Federal land banks, Federal intermediate credit banks, and banks for cooperatives.

The Farm Credit Administration is concerned about the precarious financial situation of some system banks. That concern is shared by all the 37 system institutions, and they have made provision in a formal agreement among themselves for coming to the aid of troubled banks within the system.

In December the FCA engineered a bailout of a bank in the Spokane district that ignored the system's own agreement and bypassed the use of a congressionally appropriated discretionary fund that was available to cover the Spokane failures. The FCA's bailout does not require repayment of the moneys transferred into Spokane, and it does not comport with sound banking practices.

The FCA's short-term goal—sustaining the solvency of a member bank—is one that we all share. However, their avowed goal of creating a single, Federal farm credit bank by 1995 is one that is a sharp departure from 70 years of successful experience, whose foundation was the idea that credit decisions were safest when made at the local level.

The Federal land banks, created in 1916 by Congress to provide for the credit needs of American agriculture through local farmer- and rancher-owned and managed institutions, have served us well.

Congress over the years added the Federal intermediate credit banks—to serve shorter term credit needs—to be owned by farmer- and rancher-operated production credit associations, and the banks for cooperatives—to serve the credit needs of local cooperatives. Congress again provided for local ownership and control of these separately created entities.

To provide for coordination of agricultural credit activities, Congress created local farm credit district boards of directors, to be elected by the stockholders of the separate banking institutions in each local district, with one member appointed by the Governor—an official of the Farm Credit Administration. The Farm Credit Administration itself was created as a regulatory and examination agency.

Today, these stockholder-owned banking institutions pay out of their earnings the full cost of the Farm Credit Administration, so that the U.S. Treasury has no net outlay even for the regulators.

As of the end of June 30, 1984, according to the financial statements of these privately owned banks, the Federal land banks had $54.7 billion in assets; the Federal intermediate credit banks had $20.5 billion in assets; and the banks for cooperatives had $10.5 billion in assets.

Up until now, the Federal land banks, the Federal intermediate credit banks, and the banks for cooperatives have been run separately, as Congress intended, by boards of directors that were responsive to the wishes of the stockholders of each bank, respectively.

Recently, however, possibly lured by power over the large sums of money, efforts have been made to force actions by the local banks that contravene the wishes of the individual bank's stockholders. For example, in the State of Texas, which constitutes the 10th Farm Credit District, actions were taken to force the three congressionally separate banks in the district—the Federal land bank, the Federal intermediate credit bank, and the bank for cooperatives—to have a single management so that the banks are only separate on paper. This directly contravenes the expressed vote of the stockholders who, at three consecutive yearly meetings of the Federal Land Bank Associations of Texas, voted against this single management.

How could the stockholders of the Federal Land Bank of Texas, with $2.7 billion in assets, lose control over their bank? How could Congress' will be so thwarted?

The answer lies in the fact that today—unlike the past—those running the Farm Credit Administration and those on the district boards are using loosely drafted sections of the Farm Credit Act in ways I do not believe Congress ever intended. First, in section 5 of the Farm Credit Act, Congress failed to provide representation on the district boards of directors proportional to either the assets or the membership of the respective three banking entities, thus allowing directors not elected by the stockholders of a bank to outvote the stockholders' representatives. That is what happened in Texas where, by a vote of 5 to 2, the two directors elected by the stockholders of the Federal Land Bank of Texas were outvoted as to who would run the Federal Land Bank of Texas. Second, the Congress in giving the Farm Credit Administration regulatory and supervisory powers, failed to spell out the statutory standards for the exercise of that agency power. The misuse of the power to force the local banks in the system to take actions contrary to the wishes of their stockholders—which wishes are fully consistent with congressional enactments—is, unfortunately, rampant.

To remedy this situation and to make certain that hereafter the Federal land banks, the Federal intermediate credit banks, and the banks for co-

operatives are responsive to their respective stockholders, and that the Federal regulators in the Farm Credit Administration employ their authority only as Congress intended, this bill makes several modifications in the Farm Credit Act of 1971, as amended.

In general, the bill provides for: One, separate boards of directors for each of the three banking entities in each district, to be elected solely by the respective stockholders of each bank separately—with the Governor continuing to appoint one member of each bank's board; two, continuation of enlarged farm credit district boards to provide guidance and coordination; and three, statutory guidance as to how the Farm Credit Administration is to exercise its supervisory powers, particularly as to dividends, salaries, bylaws and charters.

These modifications will leave intact the basic congressional structure of the farm credit system, but make it more responsive to the needs and wishes of its owners, the farmers and ranchers who are our constituents and who serve all of our country with their vast agricultural production. Let me assure everyone that no modification mandated by this act will force the local banks in a district to adopt, for example, either separate management or joint management; the modifications of this act will simply ensure that the decision is made by the stockholders of each of the individual institutions involved.

We in successive Congresses have believed in locally controlled private banks as the means of providing agricultural credit. We in this country have believed in one man, one vote. This act restores representative democracy to the farm credit system.

I commend to your attention the following section-by-section analysis of the Farm Credit Private Ownership Restoration Act of 1985, and ask for your support and cosponsorship.

The section-by-section analysis follows:

SECTION-BY-SECTION ANALYSIS

This bill amends the Farm Credit Act of 1971 to achieve greater efficiency and fiscal responsibility by creating a separate board of directors for each Federal land bank, Federal intermediate credit bank and bank for cooperatives. The elected directors of each bank board will be elected solely by that bank's own stockholders, (or, in the case of the banks for cooperatives, by stockholders and others entitled to vote). It retains expanded District Boards in an advisory capacity.

This restructuring, and the amendments putting reasonable constraints on the power of the Farm Credit Adminstration, are designed to accomplish three purposes: (1) to restore responsibility and control to the private stockholders of the three separate banking entities in each district created by Congress for the Farm Credit System, while maintaining adequate regulation and examination authority in the Farm Credit Administration; (2) to prevent forced single management of the three separate banking entities within a district of the Farm Credit System, while permitting the adoption of single management within a farm credit district if the stockholders of each of the three separate banking entities of that district wish to adopt such management; and (3) to maintain the Farm Credit Adminstration's oversight responsibilities, while providing standards to guide the exercise of its authority in order to safeguard against arbitrary action by the Farm Credit Administration.

Section 1 provides a short name of the Act: "Farm Credit Private Control Restoration Act of 1985."

Section 2 applies to Federal land banks and provides for, and vests power in, a separate board of directors for each bank. The section limits the Farm Credit Administration's authority to prohibit a bank from exercising powers granted to it by Congress, restricts the Farm Credit Administration's authority over charters, organization certificates and by-laws to a review function, with authority to require modification or amendment only by reference to the standards in newly amended section 5.18 and only if the FCA can carry the burden of establishing that such modification or amendment is necessary to make the charter or organization certificate consistent with the statutory provisions of the Farm Credit Act, as amended.

Section 3 applies to Federal intermediate credit banks and makes the same changes for those banks as Section 2 does for Federal land banks.

Section 4 applies to district banks for cooperatives and makes the same changes for those banks as Section 2 and 3 make for the Federal land banks and the Federal intermediate credit banks. The slight difference in the organization of this Section is necessary in order to leave unaffected the Central Bank for Cooperatives, which already has a separate board of directors.

Section 5 substantially alters present section 5 of the Farm Credit Act by expanding the District Boards to eleven members but providing an advisory role only, by providing for the election of each bank's elected board members only by the stockholders of that bank (or in the case of banks for cooperatives by stockholders and others entitled to vote), and by limiting the Farm Credit Administration's authority over charters and organization certificates and over the salary scales and executive compensation levels adopted by a bank's board of directors.

Subsection (a) increases the size of each Farm Credit District Board from seven to eleven.

Subsection (b) provides for the election of three District Board members by each of the three sets of stockholders of the three separate banking entities in such district (namely, the Federal land bank associations, the production credit associations, and the borrowers from and subscribers to the guaranty fund for the bank for cooperatives in such district), with the Governor of the system appointing the tenth and eleventh members.

Subsection (c) provides for the composition of the separate System bank boards created by this Act; for the selection, terms and compensation of directors on those boards and the selection and terms of officers; and for a restriction on the powers of Farm Credit District Boards to those powers enumerated in Subsection (d) (amending Section 5.6(a) of the Farm Credit Act of 1971).

Under this subsection, the newly created board of each of the three separate banking entities created by Congress in each district of the Farm Credit System would be composed of five members, four to be elected by the stockholders of each entity and the fifth to be appointed by the Governor with the advice and consent of the Federal Farm Credit Board. Three of the elected board members for each bank would be the same people elected to serve on the Farm Credit District Board by the stockholders of that bank, and the fourth elected member would serve only on that entity's board. This changes the present law, under which each member of a Farm Credit District board of directors serves simultaneously as a director for the Federal land bank, the Federal intermediate credit bank, and the bank for cooperatives in the district, whether or not that director was elected by the stockholders of that bank. Under present law the members of a Farm Credit District Board who are not elected, for example, by the Federal land bank's stockholders in that district can nevertheless form a majority of that Federal land bank's board. The same is true of the boards of the federal intermediate credit banks and the banks for cooperatives. The failure of the present law to provide representation proportional to the stockholders' interests is remedied in this Act by having an individual board of directors for each bank, elected by the stockholders of each bank respectively (with the Governor appointing the only other member of each bank's board).

Directors must meet the same eligibility requirements as Farm Credit District Board members and are to be elected or appointed by the same processes and for the same terms, and are eligible for the same compensation, provided that a bank director may not receive additional compensation or expenses for a day of meetings or travel if such a day of meetings or travel coincides with a day of meetings or travel for Farm Credit District Board business, and the member is already eligible for compensation or expenses from the Farm Credit District Board. The provisions for the selection and terms of officers are also like those applicable to Farm Credit District Boards. There is a technical correction to the title of Section 5.6 of the Farm Credit Act of 1971, as amended. This subsection also specifies that the powers of the Farm Credit District Boards are restricted to those powers enumerated in the next subsection.

Subsection (d) sets forth the powers that Farm Credit District boards of directors would possess. These powers would be coordination of joint undertakings authorized by the respective boards of directors of Farm Credit System banks, advice with respect to operational and administrative efficiencies, and formulation of broad policy considerations.

Subsection (e) limits the power of the Farm Credit Administration to require modifications to the Federal charters, organization certificates and by-laws of System institutions, to ensuring their consistency with the statutory provisions of the Farm Credit Act of 1971, as amended. This subsection also limits the power of the Farm Credit Administration to regulate the compensation of the chief executive officers of System institutions and the salaries of employees of such institutions, by allowing the Farm Credit Administration to reduce such compensation or salaries exceeds by more than 25 percent the highest compensation

or salary previously adopted by a system bank.

Section 6 sets forth transition provisions for establishing interim boards and officers to act until the directorships created by this Act are filled, and for the selection of individuals to fill those directorships. An interim Farm Credit District Board in each district will be composed of the former Farm Credit District Board members and officers of that district and will have the authority of the full board, as changed by this Act. An interim board for each System bank will be composed of the two former Farm Credit District Board members previously elected by such bank's stockholders and of the former Farm Credit District Board member appointed by the Governor in that district; each such interim board shall have the authority of the full board created for each bank by this Act. Officers for interim System bank boards may be selected as necessary. A quorum of any interim board shall be a majority of its members. The directorships created by this Act shall be filled according to the election and appointment provisions for Farm Credit District Board members as set out in the Farm Credit Act of 1971, as amended. The nomination process for elected directors shall commence not later than thirty days after the date of enactment of this Act and the appointment of appointed directors shall take place not later than ninety days after date of enactment. This section also provides that the two new directors on each System bank board shall draw between themselves for a term of two years or of three years in order to create a staggering of directorships on System bank boards.●

AMENDING THE FOREIGN TRADE-ZONE ACT

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. HEFTEL of Hawaii. Mr. Speaker, today I am introducing legislation to amend the Foreign Trade-Zone Act to permit the landing of U.S.-caught fish by foreign-flag vessels in Hawaii for shoreside processing. It is important to note two aspects of this legislation. First, the amendment applies only to Hawaii, due to our unique geographical location and the difficulty in getting U.S.-caught fish in the Pacific to port in time for processing. This legislation would permit American fish processors to be more competitive with those in the Far East and other areas of the Pacific Basin.

Another aspect of this legislation is that it provides job opportunities in Hawaii now limited by the constraints of the Foreign Trade-Zone Act. Under foreign trade-zone status, these processed fish must be re-exported. Therefore, there should be no opposition from local fishermen since domestic competition is not a factor. In addition, fishing is such a weak industry in Hawaii that we import approximately 60 percent of our domestic fish consumption.

Mr. Speaker, at a time when the United States is being closed out of so many foreign trade markets by competition, I cannot reason why we have American laws which hinder our competitive nature even further. We will permit American fish processors to compete in the international marketplace by simply amending this law. I respectfully ask my colleagues to favorably consider this legislation. Thank you.●

THE MARKET PLAN

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. GRADISON. Mr. Speaker, the budget of the Federal Government ought to include all programs of the Government and accurately reflect their costs. Unfortunately, it does neither. Under current budget accounting practice, the cost of Federal credit programs goes unrecognized.

In the 98th Congress, Senator PAUL TRIBLE and I introduced a bill—based on a comprehensive CBO study [1]—and dubbed the "market plan" which would have corrected the budget accounting treatment of Federal credit programs.

Today, along with Mr. BROWN of Colorado, Mr. HENRY, Mr. SENSENBRENNER, Mr. HUGHES, Mr. IRELAND, and Mr. FISH, I am introducing a revised market plan bill. Fundamentally, the new market plan corrects the flaws—identified by CBO and others—in the current budget accounting system. It does so by forcing the budget and the Congress to recognize the true cost of direct loans and guarantees prior to the commitments to provide this assistance; that is, when costs are still under congressional control.

At present, the cost of direct loans is recorded in the budget as disbursements less repayments. This is equivalent to a bank recording its annual earnings on a mortgage loan as loan disbursements less repayments. This would show big costs in the first year the loan was made and big profits in the second; both results are wrong. The fact is, net lending reveals nothing about the costs of a loan.

The budget accounting treatment of Government loan guarantees is worse still because they are recorded as having a cost of zero—until a default occurs. The undesirable result is that loan guarantee programs appear costless, until it is too late to do anything but pay the bill—$4.7 billion in 1983.

This is an unnecessary deficiency. There is a practical way of determining the true costs of credit programs. Credit risk is determined not by who lends, but by who borrows; the fact that the Government can lend at the risk-free Treasury rate does not change the fact the lending involves risk. When the Government lends to risky borrowers, taxpayers must bear those risks without compensation.

The cost of Government-provided credit is the difference between what borrowers pay under a Government program—that is, with assistance—and what they would have to pay in private capital markets—without government assistance, and it is this cost that should be recorded in the budget.

The market plan does this by requiring that direct loans be offered for sale to private investors—without recourse to the Government—and that reinsurance for loan guarantees be purchased from private insurers. For direct loans, under the market plan, agency budget accounts will show lending net of sales rather than the current practice of recording lending "net of repayments." For loan guarantees, agency accounts will show the costs of purchasing private reinsurance instead of the current procedure of recording only defaults.

To protect against loan and guarantee markets which are too thin or poorly developed, the market plan requires the Government, through the Federal Financing Bank [FFB], to enter a bid in each loan and guarantee auction. In addition, in order to discourage unreasonable bids by the FFB, the legislation requires the FFB to maintain a balance between its assets and liabilities.

The market plan shifts the risk of credit programs from the Government—that is, taxpayers—to investors whose primary business is making judgments about risk. The difference is that, under the market plan, these costs would for the first time be identified.

In addition, the market plan produces major benefits above and beyond correcting the flaws in the current budget system:

First, the market plan reduces the deficit through 1989 by $21 billion. This gain is not magic or legerdemain; according to CBO it is a real reduction against the budget baseline and results, essentially, from trading future loan repayments—current practice—for loan sale receipts—market plan.

Second, by incorporating the true costs of credit programs, the market plan achieves the elusive "level playing field" for all Federal programs, credit and noncredit. Except for setting credit volume caps, it would essentially eliminate the need for a separate credit budget.

Third, the market plan places all credit activity in the unified budget—currently, most direct loans are off

[1] New approaches to the budgetary treatment of Federal credit assistance, CBO, March 1984.

budget, and most off-budget spending is credit related.

Finally, it is important to note what the market plan does not do:

The market plan does not change the terms of any credit program; agencies would continue to select beneficiaries and provide them with loans and guarantees.

The market plan does not "privatize" Federal credit programs; it does, as described above, utilize the private capital markets in order to determine the costs of credit programs.

The market plan does not change the manner in which credit assistance programs receive their budgetary resources namely, budget authority.

The new market plan does not require or authorize the sale of the Government's existing loan portfolio.

The market plan does not cover Commodity Credit Corporation [CCC] loans—which are not, in fact, loans, but deferred purchase agreements.

The market plan concept has caught the attention of the Reagan administration. Specifically, the new Economic Report of the President states that a proposal similar to the market plan "would lead to a more accurate budget accounting of the now implicit subsidy to the recipients of Federal loans and loan guarantees" and "* * * deserves serious consideration" (p. 93). I certainly think so.●

SOUTH AFRICA: WE CAN LEND A HAND FOR CHANGE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. RANGEL. Mr. Speaker, I have introduced legislation this week which seeks to focus attention on commercial links between the United States and the Republic of South Africa. I rise to ask my colleagues to favorably consider these measures.

This century has witnessed many instances of state-sponsored repression, when the mechanisms of national administration have been designed to quash the most fundamental liberties. Two examples of this unfortunate fact must be distinguished because to the sheer magnitude of their policies.

The Holocaust and apartheid are strikingly similar. A doctrine of racial supremacy has been at the root of both systems. A philosophy of removal of the subjugated race was employed by the dominant race, with a resulting concentration of the removed group in limited geographical areas.

The final solution of the Nazis was to exterminate its subjugated peoples; Gypsies, Jews, Slavs, Socialists, and even dissident Catholic priests were mercilessly murdered. An industrial society used its every means to accomplish its perverse goals.

Look at South Africa. The seeds for a holocaust are germinating in the pass laws, black spot policy, antimiscegenation codes, and the homelands policy. These are steps toward something, and that something is the absolute subjugation of blacks in their homeland reservations.

It is for these reasons that I have introduced three bills to convince South Africa that its policy of racial separation will only result in further economic and political isolation in the world community.

I am asking for a prohibition of the importation of South African coal and uranium, a prohibition on the export of nuclear technology, and a cancellation of the foreign tax credit for companies doing business in South Africa.

Let us not be cynical about the long-term effects of imposing sanctions. South African business is very attentive to the status of American capital investment, as are the political leaders in that country. We can bring about meaningful change. We simply need the commitment and the vision.

I urge my colleagues to support these bills.●

PARRIS INTRODUCES MILITARY DRINKING AGE LEGISLATION

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. PARRIS. Mr. Speaker, on Wednesday, February 20, I introduced legislation that will require all of our military installations to comply with the same minimum legal drinking age or ages that applies in the State in which an installation is located.

In other words, if the legal minimum drinking age in Virginia is 21, then that will be the legal minimum drinking age for alcoholic beverages on all military installations in Virginia.

Last year, this Congress passed legislation mandating a minimum drinking age of 21, and told each State that if it failed to comply it faced some modest reduction in Federal highway trust fund allocations. This step was taken to help curtail the slaughter on our highways. If we in Congress believe we were right to take that action last year—and I firmly believe we were right—then it is also right that we take this step now.

The Defense Department last fall adopted a loose policy requiring this subject. The DOD policy requires military installations to adhere to the drinking-age laws of the State in which each installation is located—but there is a litany of exceptions, and some loopholes, with individual commanding officers having some discretion to alter the rules. It is far from a uniform standard.

The ultimate goal is to restore to the Nation a minimum drinking age of 21. I gave some thought to placing this age in the legislation, but upon reflection I concluded that would be unfair. Just as some State legislatures now complain they are being asked to raise their drinking while servicemen who have not reached that age can drink on base. It would be just as unfair to cling to a 21-year-age rule on a military post when 18-, 19-, and 20-year-olds can drink in a State-regulated bar across the street from the post.

I believe this is fair and equitable. I am enlisting the support of Mothers Against Drunk Driving in this phase of the war on drunk drivers. I urge you to enlist as well. If even one life is saved, this legislation will have accomplished a great deal. I invite your cosponsorship.●

HOUSE'S COMMITMENT TO THE JOB CORPS PROGRAM

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. MARTINEZ. Mr. Speaker, I am introducing a resolution to reaffirm the House's committment to the Job Corps Program.

Every year, many of our Nation's disadvantaged youth enter the workforce without the education and training needed to compete in a world of technological changes. For over two decades, the Job Corps Program has guaranteed youth like these the necessary training to prepare them for the challenges that lie ahead, training they otherwise would not have received. Without the Job Corps Program, thousands of disadvantaged youth would be denied the opportunity to successfully compete in our Nation's labor market.

The Job Corp's proven committment to the economically disadvantaged youth of our country stands as a reaffirmation for the continuation of the program. Since its inception, Job Corps has provided job training and support services to over one million two hundred thousand disadvantaged youth. Evaluations of the program demonstrate that participating youth have benefited substantially from the training assistance offered by the Job Corps.

The post-program experience of Job Corps enrollees shows that the program has a high placement rate and is cost effective. According to the Department of Labor, over 82 percent of the corps members leaving the program achieve positive outcomes, with the enrollees placed either in private sector jobs, admitted to school or entered the Armed Forces. An Abt Associates study in 1978 shows that Job

Corps enrollees are more likely than nonparticipants to be employed full-time after leaving the program. Recent studies have indicated that $1.40 is returned to society for every Federal dollar spent on Job Corps. According to a long-term follow-up study done by Mathematica Policy Research, Inc., it was found that enrollees earned an average of 15 percent more per year than nonenrollees and were employed more than 3 weeks per year. Job Corps participants are three times more likely to achieve a high school diploma and are much more likely to attend college than nonenrollees. Mathematica also found that the longer these youth stayed in Job Corps, the stronger were their post-program benefits.

In addition to the Job Corps reputation as a cost effective and successful program proven to place disadvantaged young men and women in obtaining and holding employment, the program builds in our youth a productive and responsible attitude toward work. The Job Corps is not only an investment in our disadvantaged youth who are willing to make a positive and healthy contribution to society, but also an investment in the future of our Nation. Without the Job Corps Program our country will be forced to confront an increasing number of uneducated and poorly trained youth.

It is our responsibility to continue to provide training and support services to those individuals unprepared to enter our Nation's workforce. Your support in reaffirming the House's committment to the Job Corps Program builds on the foundation of a program which has been proven to contribute to a healthier and more productive economy.●

SIKES ACT REAUTHORIZATION

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. BREAUX. Mr. Speaker, today I am introducing a bill to reauthorize the Sikes Act for fiscal years 1986, 1987, and 1988. The Sikes Act, originally passed in 1960, is designed to encourage the implementation of sound wildlife management practices on military and other Federal lands through development of cooperative programs between Federal agencies with land management responsibilities, the U.S. Fish and Wildlife Service and the appropriate State fish and game agencies.

The issue of fish and wildlife management on military lands has been particularly controversial in the past few years. The military controls millions of acres of land, much of which includes valuable fish and wildlife habitat. Clearly, the military mission is of paramount importance on these lands. However, sound fish and wildlife conservation practices and the military mission are frequently not mutually exclusive. These lands are also able to provide other valuable natural resource uses, such as timber and crop production. All of these resource uses need to be properly integrated and balanced if the Nation is to receive the greatest benefits from these lands.

The Subcommittee on Fisheries and Wildlife Conservation and the Environment, which I chair, intends to hold a hearing on this bill on March 5, 1985. This will provide an opportunity for careful examination of the issue of competing natural resource uses on military lands. In addition, these lands and their resources require the attention and expertise of professional natural resource management personnel, and the extent of the commitment of the Department of Defense to that requirement will no doubt be a topic of discussion at the hearing.

Mr. Speaker, our Federal lands and the fish and wildlife resources they contain are of extraordinary value to the Nation, and have the potential to remain so with prudent management. This bill will provide a vehicle for review and discussion by the Congress of the adequacy of the Sikes Act in helping to meet the challenge of conserving and managing our valuable fish and wildlife resources.●

NEW BEDFORD COUNCIL OF JEWISH WOMEN CELEBRATES 70TH ANNIVERSARY

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. STUDDS. Mr. Speaker, it is with great pride and pleasure that I take this occasion to note that the New Bedford section of the National Council of Jewish Women observed its 70th year of operation on February 17, 1985.

The New Bedford section was formed in 1915 by 11 newly married women who invited the president of the Boston section to discuss plans for their formation. Mrs. Henry Lumiansky became the first president. Other founding officers included Mrs. Hyman Mendelson and Mrs. William Beserosky.

At that time, the organization was involved with projects that included raising relief funds for stricken Jews in war-torn Europe. During World War I, the council was a friend and guide for immigrants and became a crucial agency for all areas of war relief: rolling bandages, knitting socks, and selling, war bonds.

During World War II, the council provided aid to needy families and refugees from growing anti-Semitism in Germany and other countries.

The 1950's marked the founding of a medical loan chest, enabling needy citizens of New Bedford to borrow hospital beds, wheel chairs, and similar items free of charge, regardless of religious denomination. This project is still an important part of the council's operation as well as aid to senior citizens and the distribution of scholarship funds to worthy high school and college students. NCJW actively supported the establishment of the New Bedford Rape Crisis center and has taken a stand on birth control issues, firmly committeed to the "right of every woman to choose abortion and elimination of obstacles that limit reproductive freedom."

An amblyopia project to test the eyes of young children in the public schools, and the start of a Tay Sachs study for the community are in the offering.

The group has become involved, in conjunction with the National Council of Jewish Women's organization in New York, with a new project, the Center for the child. This is a research program to identify the most effective solutions to problems facing children and to help in the formation of public policy and community service programs nationally.

Mrs. Marcella Brody has served as president on three different occasion. Today, here sister, Phyllis Mayer-Brody, is president. the other officers are: Anita Asser, Charlotte Salon, Lynda Mindlin, and Lillian Glantz, vice presidents; Marcella Brody, treasurer; Adele Koren, secretary; Adelle Queen, financial secretary; and Barbara Jacobson, mailing secretary.

The present organization has a total of 400 members. Its volunteer services are operating actively with a large body of committed and interested women.●

DISTINGUISHED PORTUGUESE-AMERICANS TO RECEIVE AWARDS IN FALL RIVER, MA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. FRANK. Mr. Speaker, each year O Jornal, the Portuguese Journal of Fall River, MA honors prominent Portuguese-Americans and public service organizations for their many contributions to society. On February 24, O Jornal will once again host the Portuguese-American of the Year Award Dinner and present the award to Meredith Vieira. I am taking this opportunity to commend Ray and Kathy Castro, of O Jornal, the organizers of

this annual recognition of the tremendous efforts of Portuguese-Americans have made to society, and to share with my colleagues the list of this year's award recipients for their self-sacrificing efforts on behalf of their communities.

This year's award recipients are:

Norman Sousa: President of the Flint Little League, 10 baseball teams, and 7 basketball teams. Mr. Sousa has helped organize fundraising efforts to support these worthwhile community efforts for Fall River, MA youth. He has been known to dig into his own pocket to purchase equipment for those children who would otherwise be unable to participate.

Beatrice Angelo: An outstanding example of dedication to community service for her tireless efforts in the field of education, particularly for newly arrived Portuguese immigrants. Beatrice and her husband, John, have long served the Portuguese American community—John serves on my Fall River staff. She has taught adult education and citizenship classes at the Espirito Santos School for 6 years without compensation and is singularly responsible for the successful orientation of innumerable arriving Portuguese immigrants to our country.

Carlos Sousa: Proprietor of Novart Photography Studio and part of a small dedicated group of citizens who have formed the Portuguese American Business Association in Fall River, MA. With over 200 members, the Portuguese American Business Association has contributed enormously to the economic and philanthropic well-being of the greater Fall River area.

Cambridge Organization of Portuguese-Americans [COPA]: This fine organization founded in 1969 serves the limited English speaking population in Cambridge, MA. It is a private, nonprofit organization with a fully bilingual staff to meet the cultural and human services needs of the community. The award is being offered in memory of the late Cardinal Humberto Medeiros. Accepting the award will be the executive director of COPA, Victor M. DoCouto.

Coral Heranca Portuguesa: A singing group founded in 1976 through the efforts of the Portuguese Vice-Consul to the United States in Providence, RI to help commemorate the U.S. bicentennial. The choral group has performed throughout the country; its 20 members include the Vice Consul of Portugal in Rhode Island, Rogerio Medina and his wife.

Meredith Vieira: Finally, the Portuguese American Award Dinner will present the Portuguese American Citizen of the Year Award to Meredith Vieira, the national correspondent for CBS Evening News. She grew up in Providence, RI, began her broadcasting career at WEEI radio in Boston, moved to WJAR-TV in Providence, and then worked in various capacities with CBS-TV. Meredith Vieira has through her work demonstrated a commitment to high professional standards of which all Americans can be proud.

Mr. Speaker, the contribution of Portuguese-Americans to our Nation's growth and diversity is a generous one. I am pleased to bring to the attention of our colleagues the efforts of a few of the many outstanding Portuguese American individuals.●

SGT. HARRY CURLEY

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. HUGHES. Mr. Speaker, I am pleased to rise today to call special attention to the efforts of one of our Nation's finest law enforcement officers, Sgt. Harry Curley of the Vineland, NJ, Police Department.

Sergeant Curley has just retired from the police force after a 25-year career in law enforcement. During that period, Sergeant Curley compiled a distinguished record as a police officer, and as a liaison between the community and the police department.

Sergeant Curley has received many commendations and awards throughout his career. Perhaps his most notable achievements, however, have come in the area of crime prevention.

As head of the police department's crime prevention unit, Sergeant Curley organized neighborhood crime watch groups, business and residential security surveys, armed robbery and burglary prevention programs, shoplifting prevention programs for retail merchants and students, and he founded the local Crimestoppers Program.

In addition, Sergeant Curley devoted many hours of his personal time over the years working with youths, civic leaders, and members of the clergy to help improve community attitudes and promote a sense of pride and respect within the city of Vineland.

Although he has retired from the police force, Sergeant Curley continues to be active in community work through his service on the Vineland Board of Education. He is a fine citizen and community leader, and I am pleased to commend Sergeant Curley for his many accomplishments in the field of law enforcement.●

IN TRIBUTE TO PERCY M. FLOWERS

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. DIXON. Mr. Speaker, I would like to take this opportunity, before my colleagues in the House of Representatives, to pay tribute to a loyal and longstanding member of my staff who is retiring at the end of this month.

Percy M. Flowers has been my office manager since I began serving in Congress in 1979. I was fortunate to have Percy join my Washington staff not only because she had been a friend for more than 20 years, but also because she had already gained several years of experience working for former Representatives Yvonne Braithwaite Burke and Gillis Long.

Percy has given more than 13 years of dedicated service on Capitol Hill, and she has become a friendly, familiar face to hundreds of her colleagues working for the House. As an office manager, she has helped me immeasurably in maintaining a smooth operation here. She was held in equally high esteem by former Congresswoman Burke; my good friend and predecessor in the House, and the late Congressman Long of Louisiana. Her latter service was so appropriate because Percy was born and lived her early years in Alexandria, LA.

Despite her roots in Louisiana, however, most of us really consider Percy to be a native of Los Angeles. She graduated from Pasadena City College, established roots and raised a family in southern California.

I met Percy when she worked with my close friend, Judge Dion Morrow, who then had a law firm in Los Angeles. She is the proud mother of two sons, Harry and Bob Reed, and she is grandmother of a beautiful little girl, Conita.

While all of us on the Dixon team are sorry to lose Percy, we are happy knowing that she is vibrant and young in spirit and that she will enjoy greatly this opportunity to relax, enjoy her family, and appreciate the things she has worked so hard for. Percy has been a good friend to so many of us, and we all wish her very well as she begins this new chapter.●

COMMEND ISRAELI RESCUE EFFORTS

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Ms. MIKULSKI. Mr. Speaker, it is now 2 months since news of Operation Moses, the stunning Israeli rescue of Ethiopian Jews, was made public. The boldness, compassion, and efficiency of that enormous task merits our respect and commendation. Israel is to be congratulated, but she needs more than applause. We must reaffirm and strengthen our support for Israel and the Israeli rescue efforts.

Operation Moses helped over 8,000 Ethiopian Jews reach Israel. While much of the rest of the world was paralyzed with horror looking at the faces of starving ethiopians, Israel stepped in with direct and successful action. Israel recognized Ethiopian Jews as sisters and brothers and did what had to be done to rescue them from the ethiopian famine and from religious persecution. Operation Moses was truly a heroic accomplishment.

Now Israel faces a new challenge: the absorption of the Ethiopian Jews. Israel herself is beleaguered by economic and political problems. The special needs of the Ethiopian Jews are staggering. Yet the Israelis have welcomed them with open arms. Ethiopian Jews have stepped almost literally out of the pages of the Bible into 20th century Israel. Their health care, education, and training needs are enormous. Israel is once again making extraordinary efforts necessary to meet the needs of Jews.

The strength of the Israeli spirit appears indomitable. We can only guess at the toll it takes on Israelis and Israel herself. Operation Moses was a clandestine effort and any subsequent rescue attempt must be carried out with discretion and in secret. Yet this operation and the continuing efforts to settle the Ethiopian Jews in Israel are outstanding examples of humanitarianism.

Last week I received notice that the U.S. Department of State continues to regard the status of the Ethiopian Jews as a priority issue. I urge my colleagues to join me to give whatever direction and support we can to American policy and world action to save the Ethiopian Jews.●

A TRIBUTE TO PETER M. SHIELDS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. RINALDO. Mr. Speaker, as ranking minority member of the House Select Committee on Aging, I have occasion to meet and confer regularly with Federal, State, and local officials involved in the field of aging. I am impressed with the dedication, enthusiasm, and professionalism of these individuals who work to improve the lives of our Nation's 36 million senior citizens. Two months ago, one such individual upon whom I and many others has come to depend announced his retirement as Director of the Union County, NJ, Division on Aging. While I am certain his lovely wife Eunice and their three children are pleaased with his decision, he will be missed by me, by his friends and colleagues, and most of all, by the elderly in Union County.

A founder of the Union County Division on Aging, Mr. Shields devoted nearly 30 years of service to the Federal Government, a majority of the time as a Social Security field representative, before becoming director of the division in 1972. In his 13-year tenure, he compiled an unparalleled record of accomplishment in service to Union County's 100,000 senior citizens.

Pete Shields had a unique ability to leverage State, local, and private sector resources to supplement Federal funding for aging programs. He and his staff were experts in marshalling the support of area businesses, labor, church groups, and individual volunteers in cooperative efforts to assist Union County's elderly.

The county's home-delivered and congregated nutrition programs have been recognized nationally for their efficiency and organization. Over 3 million meals have been served to the elderly of Union County, one-third of which went to the homebound.

One of Mr. Shields' top priorities was the expansion of home health care options for older individuals who wish to remain at home. Hundreds of thousands of hours of nursing, home health aide, homemaking, friendly visitor and hospice services have been provided to senior citizens in noninstitutional, community-based settings. In November 1984, Pete Shields was recognized for his leadership in expanding quality home care services to the elderly by the New Jersey Home Health Assembly and Home Care Council.

Pete Shields' reputation as an innovative, dynamic administrator reached far beyond the borders of Union County. He received 20 awards and citations from national, State, and local organizations, including 3 awards from the National Association of Counties, and individual awards from the New Jersey Association of Counties; the Grant Avenue Community Center, Plainfield, NJ; the Union County Retired Senior Volunteer Program, the Union County Senior Citizens Council and Catholic Community Services of Union County; the Rahway, NJ, Hospital and Rahway Geriatric Center; the Elizabeth, NJ, Visiting Nurse and Health Services; Union College and the Gerontology Center at Kean College of New Jersey; the Senior Citizens of Winfield, NJ; both the New Jersey Association and National Association of Area Agencies on Aging; the Gerontological Society of New Jersey; the Advisory Committee to the New Jersey Governor's Continuum on Aging, and the New Jersey Department of Human Services and Department of the Public Advocate.

Mr. Shields' leadership also is illustrated by his founding and initial chairmanship of the New Jersey Leadership Council on Aging, a coalition of 21 professional and senior groups whose members include, among others, the New Jersey Chapter of the American Association of Retired Persons and the New Jersey Home Health Assembly. He is the past president of the New Jersey Association of Area Agencies on Aging and the New Jersey Gerontological Society. The Fordham University graduate also served as a member of the New Jersey Governor's Long Term Care Committee and the New Jersey State Nursing Home Task Force.

As the senior Republican on the House Aging Committee, I have always valued Pete Shields' counsel. His testimony before Aging Committee field hearings in New Jersey in 1980 and 1984 was instrumental in shaping Federal legislation to combat elder abuse and strengthen the Older Americans Act.

While Pete Shields has officially retired, I know that he will remain active and involved in civic affairs in his hometown of Winfield, in Union County, and in New Jersey.●

THE SINKING OF THE LEOPOLDVILLE: A TRAGEDY REMEMBERED

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. MAVROULES. Mr. Speaker, I want to take this opportunity to pay a special tribute to the soldiers on board the S.S. *Leopoldville* when she was torpedoed and sunk off the coast of France on December 24, 1944.

When the *Leopoldville* was hit by enemy fire on that Christmas Eve, she was enroute from England to Cherbourg, France, transporting American troops to the battlefield. With 815 Americans lost at sea, this tragedy constitutes the second worst naval disaster in the European theater, and was the last major naval catastrophe caused by enemy fire during World War II.

Let us pause to thank all those who bravely fought for freedom and justice during World War II, and remember our heroes who risked their lives for our country.●

TRIBUTE TO JIM BLATT

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. BERMAN. Mr. Speaker, I would like to take this opportunity to recognize a close friend and a respected constituent as he leaves the presidency of the San Fernando Valley Criminal Bar Association.

In addition to his unselfish contributions to the bar association, Jim served 3 years as a deputy district attorney and has been active in many community projects.

However, I think the most striking example of Jim's character—and one of the reasons I hold him in such admiration—is the concern he has shown for the youth in our community. From 1978 through 1979 he was president of the board of directors of Cry Help, a narcotics rehabilitation program. During that period he also found time to work as a member of the field operations staff for specialty youth programs.

Today I have the honor of expressing my sincere affection and admiration for a man that deserves the profound gratitude of his community. I ask the Members to join the San Fernando Criminal Bar Association in expressing their appreciation and wishing Jim Blatt great and continued success.●

KEEP U.S. EDGE IN WORLD TRADE

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. PICKLE. Mr. Speaker, I am today introducing legislation with Mr. FRENZEL, and other Members of Congress, which will help ensure that America will retain her competitive edge in the world trade market. Our country has always been a leader in commerce, industry, science, and technological innovation. In fact, technological leadership and innovation may be this country's most valuable national resource or commodity.

However, the world market has changed, and our preeminence as the technological leader of the free world is being challenged by competitors throughout the world.

This legislation takes a comprehensive approach to maintaining our technological competitiveness.

First, the R&D tax credit (H.R. 1188) scheduled to expire at the end of 1985, is improved and made a permanent part of the tax law. In particular, the definition of qualified research for R&D credit purposes is tightened to eliminate any taxpayer abuses of the R&D credit and to ensure that the credit is targeted to fulfill its original purpose of encouraging technological innovation. Second, the current incentives for corporate funding of university basic research are expanded. and third, incentives for the private sector to aid scientific education programs in our colleges and universities are enhanced.

The R&D tax credit was originally enacted in 1981 to provide just such an incentive. Based on the information that is available to date, the credit has been a success. In 1981, R&D expenditures increased by over 40 percent compared to the previous year. In 1982, there was a 38-percent increase in R&D. Considering that these were both recessionary years, these increases are particularly impressive.

Mr. Speaker, it is well established that, prior to the enactment of the R&D tax credit, the decline in U.S. productivity growth was parallel to the decline in spending by U.S. firms on R&D.

Not surprisingly, this lack of investment in R&D has taken its toll to the point where the United States is in danger of losing its superiority in technological innovation. Over the past 20 years, our foreign competitors, led by Japan and West Germany, have devoted more resources, as a percentage of gross national product [GNP], to research and development. Also, not surprisingly, Japan and West Germany have experienced much higher rates of growth in productivity—466 percent by Japan as compared with 69 percent by the United States.

Our foreign competitors appreciate the link between R&D and future competitiveness and productivity. Canada, Japan, West Germany, Mexico, and Spain have adopted tax credits for domestic R&D activities. Just recently, France adopted an R&D tax credit that closely resembles the U.S. credit.

In addition, the governments of our foreign competitors often target high-tech industries for special nurturing. This support may take the form of protected markets for emerging technologies, subsidized government loans, export subsidies, and government sponsorship of collaborative research efforts in key technological fields.

Mr. Speaker, in our colleges and universities, education in mathematics, engineering, and the physical, biological, and computer sciences has suffered from a chronic shortage of faculty and a severe lack of up-to-date scientific equipment upon which students and faculty can learn and perform research. In my own home State of Texas, for example, a recent survey of engineering schools at Texas colleges and universities conducted by the Texas Society of Professional engineers indicated that all of these engineering schools combined face a critical need for $37.1 million in scientific equipment for research and teaching and a total need for $99.1 million in scientific equipment. The University of Texas at Austin has a critical need for engineering equipment of $7.7 million and a total need for such equipment of $28.7 million; Texas A&M University has a critical need of $7.6 million and total need of $10.8 million; the University of Houston has a critical need of $5.8 million and a total need of $8.6 million; Prairies View A&M has a critical need of $1.6 million and a total need of $3.9 million. Mr. Speaker, I give these examples to illustrate the situation in just one State. But this same situation is occurring in every State. This legislation provides broadened incentives for corporations to fund university basic research activities and to donate badly needed scientific equipment.

In short, it has become increasingly clear that the economic progress of the United States depends in large part upon the prosperity and growth of its high technology industries. If Congress is truly serious about fostering an environment in which our high technology industries can flourish, we must make the R&D tax credit permanent.

Mr. Speaker, I ask unanimous consent that a summary of the bill be printed in the CONGRESSIONAL RECORD.

DETAILED DESCRIPTION OF THE HIGH TECHNOLOGY RESEARCH AND SCIENTIFIC EDUCATION ACT OF 1985

I. IMPROVEMENT AND EXTENSION OF THE R&D CREDIT (TITLE I OF THE ACT)

A. R&D credit made permanent (sec. 101)

The Act eliminates the current sunset provision under which the R&D credit is due to expire on December 31, 1985, thereby making the credit permanent.

B. Improvement of the R&D credit through clarification and tightening of the definition of qualified research for credit purposes (sec. 102)

1. The Act adopts a new definition of qualified research for R&D purposes that is entirely separate from the definition of research or experimentation for section 174 deduction purposes. The new credit definition adopts as its starting point the definition of R&D for financial accounting purposes, subject to various modifications.

2. In general, qualified research for R&D credit purposes means (i) planned search or critical investigation (including basic research) undertaken for the purpose of discovering information which may be potentially useful in the development of a technologically new or improved business component of the taxpayer or (ii) applying the results obtained from a research activity or other knowledge to develop a technologically new or improved business component of the taxpayer, including the conceptual for-

mulation, design, testing, and reformulation of hypotheses regarding elements of the business component and the design, construction, and testing of prototypes, models, and pilot plants.

3. "Technologically new or improved"—two-fold requirement:

(i) the new or improved characteristics of the business component (defined below) are "technological in nature"; and

(ii) substantially all of the activities undertaken in developing or improving such component are part of a process of experimentation relating to such factors as new or improved function, performance, efficacy, reliability, safety, quality, or reduced cost, rather than to style, taste, cosmetic, or seasonal design factors.

(a) "Technological"—

clarifies that the R&D credit is limited to technologically-based products and processes (including software), as opposed to financial services, advertising, and the like.

whether the new characteristics or improvements are technological in nature is determined by whether the process necessary to develop such characteristics or improvements ultimately relies on principles of physical science, biological science, chemical science, computer science, or engineering.

(b) Substantially all of the activities are part of experimentation directed toward functional changes—

"substantially all" is to be determined on the basis of all of the facts and circumstances, with relative costs incurred being evidence as to "substantially all" and with such costs including costs of support and supervision of R&D.

4. Item which must be technologically new or improved: Concept of a "business component"—

the objective at which qualified research is directed for R&D credit purposes—a business component—is defined to include a product, computer software, process, technique, formula, or invention to be offered for sale, lease, license, or used by the taxpayer in a trade or business.

the "technologically new or improved" test is applied first at the level of the product or process as a whole. If the test is not satisfied at that level, the test is reapplied at the next most significant subset of elements of the product or process. This "shrinking back" of the product or process will continue until either a subset of elements of the product or process that satisfies the test is reached or the most basic element of the product or process is reached and such element fails to satisfy the test.

5. The Act's revised definition of qualified research narrows the category of eligible activities for R&D credit purposes in the following principal ways:

(i) First, the limitation of eligible R&D activities for credit purposes only to those directed toward functional improvements (e.g., function, performance, reliability, etc.) eliminates the entire category of style, cosmetic, taste, and seasonal design improvements often undertaken purely for marketing purposes and eliminates all improvements in which cosmetic changes dominate functional changes.

(ii) Second, by requiring that the new or improved characteristics be technological in nature, and by expressly excluding research relating to management techniques and management-based changes in production processes, the Act not only substantially limits the ability of the food, apparel, and retail and wholesale trade sectors to claim the R&D credit, but also bars most service industries, including banking and other financial and insurance services, from claiming the credit.

(iii) Third, by requiring that the product or process be developed by the process of experimentation, including the development, testing, elimination, and refinement of hypotheses, the Act's revised definition for credit purposes excludes a whole range of product development activities in which the design alternative required to reach the desired result for the business component as a whole is readily discernible from the start and readily attainable without the significant uncertainty reflected in the process of testing and experimentation.

(iv) Fourth, the exclusions with respect to duplication (subsection (d)(2)(E)), activities after the beginning of commercial production generally (subsection (d)(2)(A)), planning for commercial production, and adaptation of an existing product to specific customer needs (subsection (d)(2)(C)) will provide a clearer and more enforceable line which will foreclose a taxpayer from claiming the credit with respect to activities which no longer constitute product development but instead are part of the initial stages of commercial production or which constitute mere tinkering with or copying of a product already on the market.

(v) Finally, the Act seeks to ensure that software developed by the taypayer for its internal use (other than in R&D, or a plant process) will qualify for the credit only where such internal software surmounts a high threshold of innovation, thereby drastically reducing the credit claimed by financial and service sectors, as well as sigificantly reducing the credit for software developed in-house for use in general and administrative (G&A) activities.

C. Availability of the R&D credit for start-up companies and joint research ventures (sec. 103)

1. The Act addresses the problem of the unavailability of the R&D credit under current law to start-up corporations which lack an active, ongoing business but which are undertaking research activities in an effort to create such a business. The Act provides that in-house and contract research expenses paid or incurred by a regular corporation (i.e., a corporation other than an S corporation, a personal holding company, or a service organization (such as an incorporated doctor)) will constitute qualified research expenses for credit purposes if the corporation undertakes the research with the intention to use the results thereof in the active conduct of a present or future trade or business. In this way, the credit would be made available to a start-up corporation as well as to an existing corporation participating in a new research endeavor seeking to expand and diversify beyond its existing trade or business.

2. The Act clarifies that, in general, in the case of research being conducted in partnership form, the trade or business test is applied at the partnership level, and the credit is apportioned among the partners in accordance with the provisions of section 704 which govern partnership allocations generally. However, the Act carves out two exceptions to this general rule: (1) in the case of a joint research venture comprised of regular corporations; and (2) where not all of the members of the joint venture are regular corporations, but each member's own trade or business would satisfy the "in carrying on" test with respect to the partnership's research expenditures. In situations in which either of these exceptions applies, the research expenses will flow through to the partners, with the trade or business test being applied, and the credit computation being made, at the partner level.

II. PROMOTION OF UNIVERSITY RESEARCH AND SCIENTIFIC EDUCATION (TITLE II)

A. Expansion of the credit for university basic research (sec. 201)

1. a. new flat rate credit—

The proposed legislation creates a new tax credit equal to 20 percent of that portion of a corporation's payments to universities (and other qualified non-profit, tax-exempt organizations for basic research) which exceeds a fixed, historical "minimum university basic research" floor. These amounts which exceed the floor—termed "incremental university basic research amounts"—are made ineligible for the present R&D credit and are excluded from the corporate taxpayer's base year research expenses for purposes of calculating the corporation's R&D credit available under present law. The amounts which fall below the floor remain eligible for the present R&D credit and are included in the corporation's base period for purposes of calculating the present R&D credit.

b. floor for amounts eligible for flat rate credit—

The fixed "minimum university basic research" floor for the new flat rate credit is defined as 1% of the annual average of the corporate taxpayer's combined qualified in-house research expenses, contract research expenses, and university basic research payments for the base period composed of the period from 1981 through 1983.

Example

A Corporation makes total university basic research payments in 1985 of $400,000. For purposes of the new flat rate credit, the base period is 1981, 1982, and 1983. The corporation's annual average for these three years of its qualified research expenditures is $15,000,000. Accordingly, the "minimum university basic research" floor for purposes of the flat rate credit is $150,000 (1% of $15,000,000). The amount of 1985 university research payments in excess of this floor, $250,000, is eligible for the new 20% flat rate credit, for a total flat rate credit of $50,000. Sixty-five percent of the remaining portion of university payments that are below the floor is eligible, as under present law, for the 25% incremental R&D credit.

c. maintenance-of-effort requirement for non-research donations to universities by the taxpayer—

The portion of a corporation's payments to universities for basic research that is eligible for the new flat rate credit is reduced to the extent that the corporation's general (*i.e.*, not designated for research purposes) charitable giving to all universities falls below historical levels (the annual average of undesignated payments for three of the immediately preceding four years as selected by the taxpayer).

2. The proposed legislation adds to the category of qualified organizations to whom corporate payments for basic research are eligible for the credit an organization that is tax-exempt under section 501(c)(3) or (c)(6), is organized and operated primarily to promote university scientific research, and expends on a current basis substantially all of its funds through grants and contracts for such university basic research.

3. The proposed legislation limits the university basic research credit to transfers of

cash, thereby making equipment donations ineligible for the credit.

B. Enhanced deduction in section 170 for corporate donations of scientific equipment to post-secondary schools (sec. 202)

The Act expands the present enhanced deduction in section 170 by means of the following:

eligible uses of the property are expanded to include direct education as well as research and research training;

donations of computer software are made eligible for the deduction;

donations of state-of-the-art equipment used in the taxpayer's trade or business are made eligible for the deduction.

eligible recipients are expanded to include a tax-exempt organization that is organized and operated primarily to conduct scientific research and is not a private foundation.

1. Eligible equipment—

scientific or technical equipment or apparatus that is new inventory in the hands of the taxpayer or is used in the taxpayer's business and is not more than three years old;

computer software developed or purchased by the contributor;

installation equipment and replacement parts.

2. Eligible uses—

substantially all of the use of the contributed property is for direct education of students and faculty, research or experimentation (within the meaning of section 174), or research training in the United States in mathematics, engineering, the physical or biological sciences, or advanced computer science.

3. Eligible donors—

all regular corporations (non-pass-through entities).

4. Eligible recipients—

universities, colleges, junior colleges, post-secondary vocational schools, an association of these institutions, and tax-exempt basic scientific research organizations.

5. Amount of the allowable deduction—

a. new scientific equipment, computer hardware, and computer software—fair market value, limited to the lesser of (i) the sum of basis and one-half of the ordinary income gain that would have been realized by the contributor had the new inventory property instead been sold or (ii) twice basis.

b. state-of-the-art scientific equipment used in the taxpayer's business—the lesser of (i) fair market value or (ii) 150 percent of basis (computed without regard to adjustments for depreciation) less accumulated depreciation.

C. Clarification of exclusion from income of scholarships, grants, and student loan forgiveness received by certain graduate student (sec. 203)

The Act clarifies that scholarships, grants, and students loan forgiveness received by graduate students in all fields will be excluded from such student's gross income, even though he or she is required to perform future teaching services for any of a broad class of institutions of higher education as a condition of receiving such scholarship, grant, or loan forgiveness.

III. EFFECTIVE DATES AND TRANSITION RULE

It is intended that the provision that makes the R&D credit permanent would be effective as of the date of enactment. The other amendments made by the proposed legislation are generally effective for taxable years beginning after December 31, 1985. However, if the taxpayer so elects, the revised definition of qualified research may be applied in post-1985 determination years for purposes of determining base period research expenses for base period years beginning before January 1, 1986. In such case, the base period research expenses for pre-1986 base period years cannot be reduced below a level that would cause growth in qualified research expenses under the new definition to exceed the growth level that would have occurred had the old definition been applied in both the determination year and each base period year.●

TRIBUTE TO PROFESSIONAL ENGINEERS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. DOWNEY of New York. Mr. Speaker, I would like to pay tribute to an outstanding profession that has made a truly concrete contribution to this Nation—professional engineers.

As you know, this week is National Engineers Week and this year's theme is "Turning Ideas into Reality." In my home county of Suffolk, the professional engineers have turned so many ideas into reality that it is hard to imagine that 25 years ago, much of Suffolk County was still farmland. Suffolk's engineers came up with plans to tackle the roadblocks to the phenomenal growth Suffolk has experienced over the last quarter century.

But the roads, highways, sewers, and electrified railroads are only one aspect of the contribution engineers have made to Long Island. With two major defense corporations located in Suffolk County, the ideas of Suffolk's engineers have literally taken off from the drawing board and into the sky. Long Island engineers designed the lunar module that carried our astronauts to the Moon and the A-10, the most capable close support plane ever built and the F-14, the most sophisticated interceptor in the world. And these engineers remain on the cutting edge of design technology. Recently, the Grumman Corp. test flew the X-29, a new design that can revolutionize fighter aircraft.

These projects and the countless others designed by Suffolk's engineers have helped turn Suffolk into one of the strongest economic areas in the country and I salute them for that.●

AN ALTERNATIVE SCHOOL—AN ANSWER TO JUVENILE CRIME, DRUGS, AND UNEMPLOYMENT

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. EDWARDS of Oklahoma. Mr. Speaker, in response to the continuing rise in the number of high school dropouts, believed to be a definite factor in increased street crime, burglarly, drug-related crimes and drug abuse, in March 1977 a group of Bartlesville, OK, community leaders decided to promote the establishment of an alternative high school. Their efforts resulted in the January 1977 opening of the Bartlesville Alternative High School.

The purpose of the school is to rehabilitate failure-oriented secondary school dropouts, potential dropouts, truants, students on long-term suspension, those chronically involved in juvenile court action, pregnant minors, and those having behavioral problems severe enough to prohibit their participation in the established high school system. In order to fulfill its mission, the staff is carefully selected both as to skill in teaching and skill and experience in dealing constructively with the problems of these failure-oriented students. Each student is given a demanding, individualized course of instruction with emphasis placed on basic education courses, for example, math, English, science, and social studies. Students are monitored closely in small classes, many of which must be geared to more than one level of reading ability because of past failure records of students. The staff is available continuously for counseling and outside professional counselors are brought in for once-a-week group counseling sessions. All counseling is coordinated closely with the Bartlesville School Systems' Psychological Services. Rigid discipline and attendance standards are maintained at the school. When needed, teacher-student contracts, which exactly define teacher expectations and student responsibilities with stated penalty for nonconformance, is used. A gratifying amount of espirit de corp and motivation is achieved in the resulting specialized environment.

Bartlesville Alternative High School has a remarkably high rate of success. These once labeled failure-oriented students receive their high school diplomas, pass graduate equivalency exams and many are mainstreamed into the regular schools. After graduation some seek higher education opportunities. Programs similar to this one turn potential welfare or corrections enrollees into productive, law-abiding citizens and are worth an immense amount to our society. Despite their record, they suffer from funding problems. Program cost are reasonable at an average of $1,187 per student when compared to the $15,000 to $34,000 per year of an incarcerated juvenile. In Bartlesville, the community has scraped to keep this much-needed school through private donations and special allotments from the United Fund. Despite their efforts, lack of funding still remains, and unfortu-

nately may result in possible closure of the school.

I bring the Bartlesville Alternative High School to the attention of my colleagues to point out the need for long-term solutions to the financial problems these programs face. We must group our efforts to help find an answer in lieu of losing such beneficial programs.●

REVOKE NASA MEDAL

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. GREEN. Mr. Speaker, there are some injustices which should not go unredressed, and today I am introducing a resolution aimed at one such injustice.

In 1969, Arthur Rudolph was awarded the National Aeronautics and Space Administration's Distinguished Medal for his work on the Saturn V rocket project. Since that time, it has come to light that the Justice Department believes this to be the same Arthur Rudolph who worked thousands of slave laborers to death while he was supervising the production of V2 missiles for the Nazis during World War II.

Rather than face deportation charges stemming from allegations brought by the Office of Special Investigations, Rudolph renounced his American citizenship and returned to West Germany last fall.

Some of the details of Mr. Rudolph's work for the Nazis were recounted in a New York Times editorial of October 21, 1984:

> They (slave laborers) worked in underground tunnels built to protect the missile factory from air attack. Conditions were so appalling that even Albert Speer, Hitler's economics minister, described them as barbarous. "Some of the workers we talked to, grown men, broke down and wept recalling the conditions in that factory," notes a Justice Department official.
>
> There was no heat or ventilation in the tunnels. Living underground, the prisoners worked 12-hour shifts 7 days a week. Beatings and executions were common. On one occasion Mr. Rudolph attended the slow hanging, before the rest of the workers, of 12 prisoners accused of sabotage. Out of a labor force of 60,000, 20,000 to 30,000 were killed.

To award such a person the Distinguished Service Medal NASA is an injustice. To refuse to rescind such a medal, as NASA has done, is an outrage.

A NASA spokesman has been quoted as saying that "to rescind the medal would serve no useful purpose since it has nothing in common with the allegation against him." I strongly disagree. Not only would it serve a useful purpose for the families of those who perished, but it would be an important affirmation by the United States and its agencies that moral outrages and their perpetrators shall not go unpunished.

I invite my colleagues to join me in cosponsoring a sense of the House resolution that the NASA Distinguished Service Medal should be taken away from Arthur Rudolph.●

LEGISLATION NEEDED TO REFORM FORMER PRESIDENTS' BENEFITS

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. YOUNG of Florida. Mr. Speaker, we begin the annual budget and appropriation process this year faced with the prospect of Federal deficits exceeding $200 billion. While no single department of the Government is solely responsible for this situation, my constituents and I agree that one area needs immediate attention. Therefore, today I am reintroducing the Former Presidents' Benefits Containment Act of 1985 in an effort to limit the escalating costs associated with benefits for our former Presidents and Vice Presidents.

Benefits for the three living former Presidents, one Presidential widow, and four Presidential libraries cost taxpayers $29 million in fiscal year 1984, up from $64,000 in 1955. Although I vigorously support the rights and privileges accorded America's highest public office, I am concerned about the increasing costs taxpayers are being asked to pay.

My legislation addresses three important areas. Title I places limits on the number and size of Presidential libraries. It also requires the Administrator of General Services to ensure that no land, building, or equipment is accepted for the purposes of establishing a library unless an endowment has been created which will provide sufficient income to cover all administration and operational costs associated with that library.

Title II places an authorized cap on all staff, office, travel expenses, and communications services. Former Vice Presidents are limited to those services and facilities necessary to winding up their affairs.

Finally, title III calls for limitations on the length of Federal protection provided to former Presidents and their families. Protection of a former Vice President can only be authorized upon written request and based on the finding that a serious threat exists.

Although I have continually supported efforts on the floor of the House of Representatives to reduce funding levels for former President benefits, it is obvious that without comprehensive legislation, the necessary savings will never be achieved. I believe my legislation addresses our legitimate concern for the costs of these benefits while continuing to recognize and honor those who served in America's highest office. I call on my colleagues in Congress to support these efforts and act swiftly on this measure.●

A POSSIBLE METHOD FOR PREVENTING PREMATURE OR UNNECESSARY INSTITUTIONALIZATION: EMERGENCY RESPONSE SYSTEMS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. PEPPER. Mr. Speaker, an important goal of a good health program, one that seeks to provide a high quality of services at the most reasonable cost, is to maintain senior citizens in their communities and in their homes as long as is appropriately possible. Long term care institutions, costly both in human and financial terms, should be the option of last resort.

A very high percentage of our oldest citizens are women who live alone. Approximately half of the noninstitutionalized women in the United States live alone. Approximately 25 percent of women over 85 are currently in nursing homes and this number is likely to increase as the number of individuals over 85 is projected to double by the year 2000.

Many of these older individuals have to be institutionalized when they develop functional limitations that may threaten their health and safety if they do not have immediate contact with neighbors and health and emergency services.

I believe that personal emergency response systems would make it possible to reduce institutionalization and provide seniors with better health as well as reduced health care costs.

In 1982, I was joined by Congresswoman Margaret Heckler, and in 1983, I was joined by Congressman JAMES QUILLEN in introducing legislation designed to expand Medicare and Medicaid coverage for emergency response services. What are emergency response services? An emergency response system has three basic components: First, electronic communication equipment in the home which automatically signals for help over existing telephone lines; second, a community-based 24-hour response center to receive the incoming alarms and send help when required; and third, local emergency response organizations such as visiting nurses, police emergency services or individuals chosen by

the user who agree to respond to specific calls for help.

The emergency response system, in most basic terms, works as follows. If a person is in need of help at home, he or she could press their personal monitor, which is worn, activating the emergency base system at a hospital, health center, et cetera. The system base station will then call the individual to determine the problem. If no response is received, a neighbor with a key to the apartment will be called as well as the appropriate emergency response services. The emergency response will occur within minutes.

Each day the participating elderly person checks in with the base station. If there is no check in within a definite time, usually 12 or 24 hours, the system is automatically activated in order to make sure the person is still able to respond. Thus, he or she is always within contact of the base station in their apartment even if unable to physically reach a telephone.

In 1975, the National Center for Health Services Research supported a study in Boston of an emergency response system among functionally impaired elderly public housing tenants living alone in the Boston-Cambridge area. During a 13-month period, the health care services required by 314 individuals, half using an emergency response system and half not, were carefully evaluated. The experimental and control groups were matched into pairs of similar functional impairment and social isolation levels.

The study found that those elderly using the emergency response system:

Felt more comfortable about living alone and more confident about continuing to live independently;

Required 1 day in a nursing home for every 13 days needed by those not using the system;

Experienced a much lower rate of emergencies—roughly one half that of those not using the system; and,

For those severely functionally impaired and not socially isolated—one-third of the studied population—each $1 spent for the use of the emergency response system produced a net savings of $7.19 in total long-term care costs due to reduced use of institutional and community care.

Several new studies have been reported. One study evaluated the emergency response system in California. It was primarily interested in behavioral responses. The leading reasons for using the emergency response system were falls and chest pain. Families felt less burdened and recipients who were not socially isolated had an improvement in their feelings of security and control of their environment and reduced helplessness. No experimental trial of efficiency was done.

Emergency response systems are mushrooming in the community. One system, the Lifeline Program has been estimated to now include 45 communities with 400 programs involving the monitoring of around 15,000 people. The Lifeline Program has shipped 21,193 units through 1983 and 528 base systems. The total sale price of a unit is $17,500—$20,000, including the base unit and 20-25 home units. Approximately 70 percent of the hospitals using Lifeline have added additional units.

A recent survey noted that most of the systems are centered at hospitals in communities of about 50,000 people, have been operational for 10 months and have 30 home units. The charge is about $10 per month. About three-fourths of programs have no installation charges. Eighty percent of the clients are women and 80 percent live alone. There is an average of eight emergencies per person per year.

State and Federal funding has been obtained in nine States through section 2176 Medicaid waivers. The average cost is $25 to $30 per month. In four States local funding has been used. The Older Americans Act Title II has also spent about $1 million.

Most of the State and community reports are very favorable. There has been no good scientific evaluation of emergency response systems since the original NCHSR study. Other types of emergency response systems are being marketed. There is a perceived need for an emergency response system especially for the frail elderly living alone. The systems will continue to expand and will cost money either to the Medicaid Program, State agencies, Older Americans Act, voluntary organizations or individuals and their families.

There is a critical need for scientific evaluation of these systems. There is a very real probability that the system will be of substantial health and social benefit to frail elderly and possibly reduce institutionalization. A very limited evaluation is being proposed as part of the social health maintenance organization [SHMO] demonstration, but this will not evaluate such a system's efficiency in the community.

The present bill will provide for a good scientific evaluation of both the costs and health benefits of emergency reponse systems. The results of the study will provide a sound basis for the selection of individuals who will benefit from the use of personal emergency response systems, the costs per patient and the rationale for future implemenation of the program.

I urge my colleagues to join me in support of this worthwhile and most timely measure.

Thank you.●

51-059 O—86——8 (Pt. 3)

NATIONAL DRUG EDUCATION ACT OF 1985

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. ORTIZ. Mr. Speaker, I am pleased to bring to the attention of my colleagues legislation I introduced on January 3, 1985, entitled the National Drug and Alcohol Education Act. This bill, H.R. 380, represents many years of work and interest in the problems of drug and alcohol abuse.

As my colleagues may remember, I have spent years working with State, Federal, and local officials to stop the flow of illegal drugs into the United States, and especially my native Texas. As a former county sheriff, I formed a 10-countywide drug task force to try to stop the flow of drugs from Mexico. During the past 2 years as a member of the House Select Committee on Narcotics Abuse and Control, I have spent many hours listening to testimony from law enforcement officials, psychologists and counselors, and educators about drug abuse and what can be done to prevent it. Last year I worked closely with Parent Teacher Associations, parents of drug users, and education agencies to formulate a comprehensive bill that would address these problems. Although no action was taken on my bill in the 98th Congress, I have decided to reintroduce it this year and urge the Education and Labor Committee to take action on it.

I am very grateful for the many comments and suggestions I received from groups around the country who support this bill. There is a national network that has developed to help children with drug and alcohol problems. The assistance and support I received from these groups has been invaluable in spreading the word about my bill. Their comments have been incorporated into this revised bill, which I believe have made it stronger and more appealing to my colleagues in the Congress.

My proposal would provide $30 million over 3 years to the States through a block grant. States would apply for funds to the Department of Health and Human Services and funds would be disbursed on the basis of population. The Federal Government would provide 75 percent of the funds, the States 20 percent, and local school districts 5 percent—which could be in-kind payments such as facilities or equipment.

I believe very strongly that this bill is needed because it targets elementary and junior high school students who may not have experimented yet with drugs, cigarettes, and alcohol. In addition, it recognizes there is a link

between cigarettes and alcohol and the use of drugs. The bill recognizes that education is more effective than either law enforcement or treatment and prevention techniques in stopping drug, alcohol, and cigarette use.

Much of the basis for these premises comes from a detailed, articulate, and thoughtful study published by the Rand Corp. entitled "Strategies for Controlling Adolescent Drug Use." I recommend this book very highly, and hope that my colleagues who share my concern about substance abuse will ask me for a copy of this publication.

There are seven reasons why I believe this bill is needed. I urge my colleagues to consider these points and join me in cosponsoring this legislation. I am confident that there is still time to reach many children who have not yet begun to experiment with drugs.

First, I believe this proposal is worthwhile because it targets a special group of children who have traditionally been ignored by drug education programs in the past. There is growing evidence that drug, cigarette, and alcohol awareness programs aimed at elementary schoolchildren can be very effective. These programs can reach children who have heard about drugs but who have not yet used them. A comprehensive awareness program can dispel the myths about cigarette smoking, drinking, and drugs, and give children the right information that will help them resist the temptation to experiment. It is clear that one program aimed at children from 4th to 12th grade cannot possibly be effective. However, by tailoring these programs and encouraging children in elementary and junior high schools to learn about cigarettes, alcohol, and drugs, we may be forestalling children from making one of the most serious mistakes of their lives.

Second, effective programs at all age levels stress the importance of peer pressure. The Rand study cited before notes that previous education programs failed because they were grounded in incorrect assumptions about why adolescents begin using these substances. New studies indicate that drug use begins in a group setting among peers or relatives and is often perceived as the "adult" thing to do. Peer pressure and the imitation effect are very strong influences on impressionable children. Statistics indicate, too, that young people of all ages and socioeconomic classes use cigarettes, alcohol, and drugs, even children in grade school. A nationwide survey indicates that 50 percent of our fourth-graders believe their peers have experimented with drugs, and 25 percent report significant peer pressure to try drugs or alcohol. To date, Federal, State, and local governments have spent huge sums to detect and apprehend producers and distributors and to treat addicts. But insufficient moneys have been spent on what the Rand study considers the most effective method of curbing drug abuse: education. I believe the evidence is conclusive that a comprehensive education program aimed at the real reasons children use cigarettes, alcohol, and drugs—peer pressure—can be very effective.

A third reason I believe my proposal is needed is because it focuses attention on the relationship between cigarettes and alcohol and the use of drugs. The Rand study provides compelling new evidence that links cigarette smoking among children to early drug use. The authors carefully examined the circumstances that lead young people to experiment with cigarettes, drugs, and alcohol, and concluded that "the same factors that lead to cigarette smoking lead to drug use." The study noted that—

> Generally, an adolescent begins drug use with cigarettes or alcohol. Later, he or she may use marijuana, and still later may go on to other drugs, In effect, each stage appears to be a prerequisite for the others. Therefore, stopping or delaying the onset of marijuana use and cigarette smoking may prevent use of later-stage drugs.

This is a powerful conclusion which contradicts the myth among children that there is no connection between cigarettes, alcohol, and drug use.

Therefore, educators are now suggesting a new approach to preventing first use of drugs by focusing on cigarette smoking and taking into account the social pressures that youngsters feel to experiment with cigarettes, alcohol, and drugs.

This special attention on cigarettes and alcohol is important because data demonstrate a clear relation between smoking cigarettes and using marijuana and other drugs. For example, among all teenagers in 1983, current cigarette smokers were 11 times more likely to be current marijuana users and 14 times more likely than nonsmokers to be current users of heroin, cocaine, and/or hallucinogens. At least 1 in every 16 high school seniors is actively smoking marijuana on a daily basis, and fully one in five has done so for at least a month at some time in their lives.

Alcohol is also being abused by our young people. About 1 in 16 seniors is drinking alcohol daily, and 41 percent have had five or more drinks in a row at least once in the past 2 weeks. An estimated 3.3 million drinking youths aged 14 to 17 are showing signs that they may develop serious alcohol-related problems. Drunk driving is the leading cause of death among 15- to 24-years-olds.

These statistics are shocking and have helped focus attention on the seriousness of alcohol and tobacco abuse.

A fourth factor my bill considers is drug use among minority students. Poor and minority students frequently do not have the money to buy conventional drugs, and therefore use nontraditional substances, such as inhalants, as a means of getting high. My bill requires that educators recognize these practices and address the special needs of these students. This is particularly a problem for American Indian and Hispanic children across the Southwest and in our inner cities. It is imperative that educators recognize the role that these nontraditional stimulants play among minority children.

Fifth, our country has spent billions of dollars to try and stop the flow of illegal drugs into the United States. There is also the cost to society in nonbudgetary expenses. For instance, drug abuse costs this Nation $100 billion annually, of which an astonishing $70 to $80 billion is attributable to drug-related crime and corruption, and $15 to $20 billion is attributable to the impact of drug abusers on the health care, law enforcement, and judicial systems, the employment market, and the general welfare and social service systems. The annual financial burden of alcoholism and alcohol problems is about $120 billion each year. We cannot afford this drain on our economy and judicial system. A prevention and awareness program begun at an early age can have a lifetime effect, not only for the children, but also for our entire society.

Sixth, this proposal requires that decisions about awareness and education programs are best made at the local level. Therefore, the Department of Health and Human Services would disburse the money to the States according to population. The State and local educational agencies would contribute 30 percent of the cost of the programs. The local educational agency receiving these moneys must develop a drug, alcohol, and tobacco educational program that meets the following criteria:

Assesses the problems and current educational programs, if any, designed to address such problems;

Outlines specific plans for providing or improving instruction on drug, alcohol, and tobacco use;

Describes the goals that are to be achieved by the drug education program, and provide an annual report on progress in obtaining these goals;

Estimates the cost of the program and gives assurances that the local educational agency will pay 5 percent of the program's cost; and

Provides procedures to ensure a proper accounting of Federal funds paid to the applicant under this act.

I believe this will provide the Federal Government with the necessary assurances that the money is well spent and will give local school districts the opportunity to tailor its programs to the specific needs of the children in their communities.

Finally, the bill would require that schools use all the resources at their disposal to teach children about substance abuse. That means that local law enforcement officials, Federal narcotics agents, and others involved in stopping the sale of drugs should talk with students. Psychologists and drug counselors who treat addicts should tell students what drug abuse is really about and how it affects their health and well-being. And, finally, clergymen, parents, businessmen, and any others with experience in drug education should be brought together with students to discuss what tobacco, alcohol, and drug abuse does to the individual and his family. These are important resources that can complement the classroom text training and make the evil of substance abuse more real for the students.

I have been very encouraged by the broad bipartisan support my proposal received in the 98th Congress. I feel confident that the bill I am introducing today will receive favorable consideration by my colleagues on the Education and Labor Committee. I urge those who share my concern about cigarette, alcohol, and drug abuse to review my proposal and join me in cosponsoring it.●

CAPITAL PUNISHMENT

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. GEKAS. Mr. Speaker, during the 98th Congress I introduced a measure to amend the United States Code to authorize the imposition of the sentence of death for the crimes of homicide, treason and espionage. Since that Congress did not pass any capital punishment provisions I reintroduced my proposal as H.R. 343 on the first day of the 99th Congress.

In 1972, virtually all of the death penalty statutes in the country were nullified by the U.S. Supreme Court with its landmark decision of Furman versus Georgia. In that case, the Supreme Court stated that State death penalty statutes which leave to the unguided discretion of the judge or jury the determination of whether the death penalty should be imposed are unconstitutional.

In the decade since the Furman decision, two-thirds of the States have enacted laws to restore the availability of the death penalty as a sanction for the most serious crimes when committed under particularly reprehensible circumstances. During this same period, the Congress has on several occasions considered legislation to provide constitutional procedures that would permit the restoration of the death penalty to the Federal criminal justice system, but with the exception of a death penalty provision included in antihijacking legislation in 1974, no such statute has been passed by the full Congress. During last session, the Senate Judiciary Committee reported to the full Senate a death penalty measure but consideration ended there.

A substantial majority of the American public believes, as I do, that the imposition of the death penalty can and does act as a deterrent to the violent and heinous crimes of homicide.

I would hope that the 99th Congress will respect and reflect the wishes of its constituents and enact this death penalty statute.●

DIAMOND JUBILEE OF SISTER FABIAN DOONAN

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. MOLINARI. Mr. Speaker, it is a great pleasure and honor for me to rise today in order to pay tribute to Sister Fabian Doonan, O.S.F., as this year she celebrates her diamond jubilee of 75 years of service in the convent.

Sister Fabian Doonan was born in Ireland (County Leitrim) and came to the United States as a young girl. She entered the Franciscan Sisters of Allegany in the fall of 1909 at the motherhouse in Allegany, NY. After receiving the habit on August 2, 1910, Sister Mary Fabian entered into a 2-year novitiate which she completed with the profession of her simple vows on August 15, 1912.

Sister Fabian Doonan came to St. Anthony's Convent in New York City in 1935 after teaching at schools in Buffalo and Rome, NY and Winated, CT. She continued her teaching career in New York City at St. Anthony of Padua Grammar School where she devoted herself to her students for 35 years. In the years that followed her formal teaching career, she continued her service as a tutor for many students.

Sister Fabian's 75 years of service to others stands as an inspiration to all she has touched. It is not often that one encounters such an example of lifelong devotion, commitment, and faith. As Sister Fabian looks back on her 75 years in the convent, she can certainly be proud of the life she has led and the love and happiness that she has brought into the lives of others.

Mr. Speaker, I am glad to bring the achievements of this devoted and remarkable woman, Sister Fabian Doonan, to the attention of my colleagues in the House.●

MINORITY INVESTMENT ACT OF 1985

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. RANGEL. Mr. Speaker, today, I am introducing the Minority Investment Tax Act of 1985 [MITA]. This legislation is designed to encourage the development of a viable minority business community by providing the necessary tax incentives to encourage investment in businesses owned and operated by socially and economically disadvantaged individuals.

MITA provides for the deferral of the capital gains tax when a taxpayer elects to use the proceeds to purchase stock from a qualified minority investment fund company. The qualified investment fund company is similar to a mutual fund company. However, the minority investment fund is required to invest proceeds in minority firms as defined within section 8(d) of the Small Business Act. Under section 8(d), generally, a small business concern is defined as a for-profit business enterprise, whether a corporation, partnership or other business entity of which 51 percent or more is owned by a socially and economically disadvantaged individual.

During recent tax debates it was successfully argued that lower taxes on capital are essential to meet the economic challenges of the 80's to provide greater business and job opportunities. The provisions of MITA are an attempt to provide a creative solution to the economic challenges of the 1980's.

It has been argued that since the passage of two tax bills, the Revenue Act of 1978 and the Economic Recovery Tax Act of 1981, the risk-taking climate for investors has improved. In August of 1982, the General Accounting Office issued a comprehensive report on the venture capital industry. A significant finding of the report concerning investment activity was: Venture capitalists believe the growing availability of venture capital is a direct result of reducing the capital gains tax for individuals from 28 to 20 percent in 1981. Despite these tax incentives, minority businesses have not experienced a dramatic increase in the availability of venture capital. While the vast majority of businesses were benefiting from the improved climate of risk-taking entrepreneurial activity, most minority businesses were left out.

We believe that this bill provides investors with the incentive they need to invest equity capital in the minority community. I trust that this legislation will receive the early and favorable attention of the Congress.●

H.R. 1186

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. YOUNG of Alaska. Mr. Speaker, I have introduced legislation, H.R. 1186, that will make the formula for determining the amount of Social Security benefits subject to taxation more fair and consistent with tax policy.

In the Social Security Amendments of 1983, Congress subjected Social Security benefits for higher income recipients to taxation. The law states that if a recipient's income level exceeds the base amount of $25,000, in case of an individual, and $32,000, in the case of a joint return, then gross income includes the lesser of one-half the Social Security benefits received or one-half the excess of modified adjusted gross income plus one-half the Social Security benefits over the base level.

Income level is determined by adding one-half the Social Security benefits received to the recipient's modified adjusted gross income. "Modified adjusted gross income" means adjusted gross income increased by the amount of interest received by the taxpayer which is tax-exempt. This is where the unfairness in the law exists and I propose that the tax-exempt interest portion of the definition be deleted.

It is inconsistent tax policy to include tax-exempt income in the determination of taxable income. By using tax-exempt income in computing one's income level, you are penalizing the recipient for having this income. The recipient is penalized because his tax-exempt income could determine whether his Social Security benefits are subject to tax by pushing his income level over the base level. When taxable income is determined for income tax purposes, tax-exempt income is just that and the taxpayer is not penalized for having that income. This policy should remain consistent with regard to the taxation of Social Security benefits.

The following example should illustrate the position:

If a Social Security recipient has an adjusted gross income of $20,000, Social Security benefits of $10,000 and tax-exempt interest income of $10,000, then the recipient will have to include $5,000 in gross income. $20,000 (AGI) plus ($10,000 × ½) (SS) plus $10,000 (TEI) equals $35,000, $10,000 over the base level. One-half the Social Security benefits or one-half the excess over base equals $5,000.

If the tax-exempt interest income is excluded from the Social Security tax formula, as it is in determining regular income tax, then the recipient would owe no tax and not be penalized for his tax-exempt income. The adjusted formula would include $20,000 (AGI) plus ($10,000 × ½) (SS) and equal $25,000, an income level within the base amount.

The above analysis supports the position that the Social Security taxation formula for higher income recipients would be more fair and consistent if tax-exempt interest income was not included in it. It would not exclude from taxation recipients whose taxable income levels exceeded the base level. I urge all Members to consider H.R. 1186 and lend their support.●

CONGRATULATIONS TO THE NORTHEAST TIMES

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1985

● Mr. BORSKI. Mr. Speaker, I rise to call to the attention of my colleagues the 50th anniversary of the funding of the Northeast Times, a well known community newspaper in the Third Congressional District.

Over the past 50 years, the Northeast Times has become a tradition in the community and I congratulate the paper's owner and publisher, Eleanor Smylie, its editor, Marilyn Schaefer, and the paper's staff on this anniversary.

The Northeast Times is a fitting testimony to the success of the family-owned community newspaper. This local publication was founded in 1934 by the late Richard Thorpe Lawson, who produced the paper on a hand-press in his basement. It originated as a one-page publication with a circulation of 500. Today, due largely to the continuing efforts of Mr. Lawson's widow and son, Eleanor and Robert Smylie, the Times is comprised of 7 editions distributed to over 117,000 homes in Northeast Philadelphia.

The success of the Northeast Times can also be attributed to the fact that the paper is owned, managed, and staffed primarily by residents of the community. As a result, the paper has reflected the unique character, spirit and concerns of the northeast for the past 50 years. During that time, the Times has maintained a tradition of the highest standards of journalistic excellence, and has faithfully served the needs of its loyal readership and the public interests of the community as a whole.

Again, Mr. Speaker, I salute the Northeast Times on its 50th anniversary and wish this fine newspaper continued success in the pursuit of its commitment to northeast Philadelphia.